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Japan

USSR Situation Develops; More on Reaction

Yanayev Assures Kaifu of Reform

OW2008013791 Tokyo KYODO in English 0115 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—Acting Soviet President Gennadiy Yanayev has sent a letter to Prime Minister Toshiki Kaifu pledging to continue Soviet reform policy initiated by ousted President Mikhail Gorbachev, a Foreign Ministry official said Tuesday.

The letter addressed to Kaifu was handed over at the ministry early Tuesday by Soviet charge d'affaires in Tokyo, Yuriy Kouznetsov, to Nagao Hyodo, chief of the ministry's European and Oceanic Affairs Bureau.

The letter said the Soviet Union was forced to declare a state of emergency for six months amid sharp declines in production in the country.

It said the measures will not suspend Gorbachev's reform policy but continue the policy and the Soviet Union will act on the basis of democracy and openness, according to the ministry official.

Yanayev said in the letter that all treaties and agreements the Soviet Union concluded with foreign countries are valid and the country will continue its foreign policy.

On the fate of Gorbachev, the letter said he is safe and not under any threat.

Hyodo responded that the Japanese Government will note Yanayev's pledge to continue reform policy and watch with serious concern the developments in the Soviet Union.

Hyodo also expressed concerns about a reported clampdown on the press in the Soviet Union.

Kouznetsov also met Hyodo at the ministry on Monday night and conveyed a message from Yanayev addressed to heads of state and governments and the UN secretary general pledging to continue with the Soviet reform policy.

Further on Envoy's Meeting

OW2008000791 Tokyo KYODO in English 2351 GMT 19 Aug 91

[Text] Tokyo, Aug. 20 KYODO—The Soviet charge d'affaires in Tokyo, Yuriy Kouznetsov, told a Japanese Foreign Ministry official Monday night that the new Soviet leadership will maintain a policy of reform.

Kouznetsov met Nagao Hyodo, head of the ministry's European and Oceanic Affairs Bureau, and conveyed the message from acting Soviet President Gennadiy Yanayev addressed to heads of state and governments and the UN secretary general, ministry officials said.

Hyodo told the Soviet envoy the Japanese Government is watching developments in the Soviet Union with a serious concern.

He said that "new thinking" diplomacy should not head in a negative direction and urged continued efforts to improve bilateral relations.

The Soviet envoy said his country will continue reform and observe its international pledges and that he will convey Hyodo's remarks to his government.

Russia's Silayev Cancels Visit

OW2008031791 Tokyo KYODO in English 0305 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—Russian Federation Prime Minister Ivan Silayev has canceled a visit to Japan that was to begin Wednesday, the Foreign Ministry said Tuesday.

Russian Federation officials notified the Japanese Embassy in Moscow of the cancellation early Tuesday morning, saying the current political situation has forced Silayev to postpone his August 21-28 visit to Japan.

During the visit, Silayev was to meet Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama and visit Hokkaido and Oita Prefectures.

Silayev had once postponed his Japan visit to attend the signing on August 20 of a new federation treaty by nine Soviet republics including the Russian Federation.

Kaifu, Bush Confer

OW1908152991 Tokyo KYODO in English 1506 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—U.S. President George Bush and Prime Minister Toshiki Kaifu on Monday shared regret over Soviet President Mikhail Gorbachev's loss of power to communist hardliners, and agreed there should be "no return to the cold war days," Foreign Ministry officials said.

Officials said the two leaders expressed the mutual view in a 15-minute telephone conversation, which was initiated by Bush after talks with other Western leaders.

Bush was quoted as saying that the "coup d'etat" occurring in the Kremlin earlier in the day was outside the bounds of the Soviet Constitution. He added that he does not want to return to cold war relations, according to officials. Officials said Bush also told Kaifu he hopes the process of reform in the Soviet Union will not come to a halt. The U.S. leader said he doubts that would happen, but added that the future course of events is unpredictable.

Bush stressed the importance of the new Soviet leadership's respecting agreements reached between the two governments, officials said.

Officials quoted Kaifu as responding in agreement with Bush that there should be no return to the cold war. He said Japan takes note of a passage in the declaration issued by new Soviet leader and former Vice President Gennadiy Yanayev to the effect that reforms will continue.

Officials said the two leaders did not discuss a suspension of economic cooperation with the Soviet Union. Bush told reporters in Washington earlier that he and European leaders had agreed to take such action.

Kaifu, Mulroney Express Concern

OW2008015591 Tokyo KYODO in English 0139 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—Prime Minister Toshiki Kaifu and Canadian Prime Minister Brian Mulroney expressed grave concern Tuesday over the fate of ousted Soviet President Mikhail Gorbachev.

They also agreed to stay in close consultation on developments in the Soviet Union following Monday's surprise replacement of Gorbachev by an emergency committee of Communist Party hard-liners.

Conferring on the telephone with Mulroney for about 15 minutes, Kaifu said he is "gravely worried" about the change in leadership, as well as the safety of Gorbachev.

Gorbachev has not been heard from since he was ousted, and news reports said he had been taken to a sanatorium to recover from his "poor health."

Kaifu told Mulroney that Japan is not yet prepared to announce its stance on the new lineup, led by acting President Gennadiy Yanayev.

"The situation is very fluid, so we will continue to watch and consider our response," he told Mulroney.

He reiterated his hope that the Soviet Union will continue to pursue policies of economic reform and outward-looking diplomacy.

Mulroney expressed surprise at the turn of events, and speculated that they were timed to preempt the signing of a treaty planned for Tuesday that would have given greater powers to the individual republics.

Mulroney also told Kaifu that the Japanese prime minister's recent visit to China was well received in North America.

Kaifu last week became the first leader of a major industrialized nation to travel to Beijing since the June 1989 crackdown on pro- democracy demonstrators. During his visit, China announced its intention to join the nuclear nonproliferation treaty, which is aimed at preventing the spread of nuclear weapons technologies.

Kaifu conferred with US President George Bush on Monday, also on the telephone, on events in the Soviet Union, and is slated to speak with British Prime Minister John Major by phone later Tuesday.

Kaifu, Nakayama Address Diet

OW2008022991 Tokyo KYODO in English 0208 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—Prime Minister Toshiki Kaifu expressed concern over the change of leadership in the Soviet Union on Tuesday and urged the new Soviet leaders to continue reform and foreign policies put forward by Mikhail Gorbachev.

Kaifu told a session of the House of Representatives' Budget Committee that he recognizes the current state of affairs in the Soviet Union is in an abnormal situation that is most likely unconstitutional.

Kaifu said he telephoned U.S. President George Bush and Canadian Prime Minister Brian Mulroney and that neither leader knew of Gorbachev's whereabouts.

The prime minister said he and Bush agreed there should be no return to the cold war days.

Kaifu said acting Soviet President Gennadiy Yanayev told him in a message that the new Soviet leadership will not reject Gorbachev's reform or foreign policies, and Kaifu said he hopes the new leadership will indeed push those forward.

"I have serious concern about the situation in the Soviet Union and will watch developments there with a strong concern. I strongly hope perestroyka will not be set back," he said.

Foreign Minister Taro Nakayama told the session that Japan will take a cautious attitude toward economic cooperation with the Soviet Union.

Nakayama told reporters that it is necessary to clarify the new Soviet leadership before recognizing them.

Chief Cabinet Secretary Misoji Sakamoto said the government is not prepared immediately to recognize the new government.

"We are in the process of collecting and analyzing information on the situation in the Soviet Union," he told a regularly scheduled news conference.

Deputy Chief Cabinet Secretary Nobuo Ishihara said that Japan's response to the new government would be affected if it determines a coup d'etat has taken place.

"If the change in power occurred by unlawful means, our response to the new government would (differ from that if the transfer of power was lawful)," Ishihara told a news conference.

He declined to specify what additional information the government needs to determine whether Gorbachev was ousted in a coup d'etat.

Kaifu 'Shocked' by Developments

OW2008020991 Tokyo NHK General Television Network in Japanese 0006 GMT 20 Aug 91

[Remarks by Prime Minister Toshiki Kaifu in reply to interpellations on the political change in the Soviet Union by Gentaro Nakajima, Liberal Democratic Party member of the House of Representatives, at the House of Representatives Budget Committee session—live]

[Text] [Video shows Kaifu standing by a table in the center of the First Committee room, speaking] I am shocked by the sudden, extraordiary developments concerning President Gorbachev yesterday and am now in the process of collectiong all sorts of information. On the present situation and other concrete details I will have the foreign minister report to you later. My view under the present situation is that it is an abnormal situation which has a strong possibility of a constitutional violation. Since last night I have consulted with President Bush, Prime Minister Mulroney, and leaders of other countries on the phone. No one even knows where President Gorbachev is now and what has happened to him. All of them are in the midst of gathering information now. President Bush particularly said that there should be no return to the cold war and I wholly agree with him. At the London summit the G-7 countries gave their commitment to support the correct direction of perestroyka and held consultations on future aid. There should be no retrogression in this. President Bush and I are in complete agreement on that point.

I received a letter from acting Soviet President Yanayev. Since it is very long, I will introduce only its main points instead of giving the text. It says: This action is not meant to reject the reform started by Gorbachev. In the international area it also says: All the treaties and agreements will not lose effect and the foreign policy line of our country will be continued. I am making a strong demand and request that those be carried out exactly as stated.

The present situation in the Soviet Union is an issue of great concern. The video being shown in televison news, for example, is extremely alarming. While following the turn of events with a keen interest, I strongly hope that there will be no retreat in the positive aspects of perestroyka. This is what I feel at present. I will keep in touch with and hold close consultations with the leaders of the summit nations and make efforts not to let our apprehensions grow further.

Kaifu Considers Aid Freeze

OW2008101591 Tokyo KYODO in English 0946 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—Prime Minister Toshiki Kaifu signaled Tuesday that Japan may freeze assistance to the Soviet Union in response to Monday's overthrow of President Mikhail Gorbachev by Communist Party hardliners.

"Under the current conditions, I don't think we can proceed from one thing to the next," Kaifu said, citing the state of emergency in parts of the Soviet Union and the presence of armored vehicles in central Moscow.

"We have to watch developments closely ...but (aid) might be stopped for the time being," Kaifu told a Parliamentary Budget Committee.

The prime minister was responding to opposition questions about Japan's stance in view of the aid freeze imposed by other industrialized countries such as the United States and Canada.

Japan has said it plans to respond to the latest changes in the Soviet Union in concert with other major industrialized democracies.

Kaifu said that the changes in leadership appeared to be unconstitutional, but stopped short of stating whether Japan regards the leadership change in Moscow as a coup.

Kaifu's remarks followed comments to reporters earlier in the day by Eiichi Nakao, minister of international trade and industry, who said that Japan may suspend aid if the Soviet Union makes major changes in its reform programs.

Meanwhile, Deputy Chief Cabinet Secretary Nobuo Ishihara told reporters that Japan's response to the newly declared government would be affected if it determines a coup has taken place.

"If the change in power occurred by unlawful means, our response to the new government would differ (from that if the transfer of power was lawful)," Ishihara told a news conference.

Nakayama Urges Continued Reforms

OW1908114891 Tokyo KYODO in English 1129 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—Foreign Minister Taro Nakayama on Monday said Japan hopes Soviet President Mikhail Gorbachev's loss of power to communist hardliners will not result in a reversal of Moscow's policies of political and economic reform.

Nakayama made the remarks to reporters following the seizure of power from Gorbachev by hardliners led by Vice-President Gennadiy Yanayev and the declaration of a six-month state of emergency over parts of the Soviet Union.

"The Japanese Government sincerely hopes there will be no adverse effects on the policies of perestroyka, glasnost and new- thinking diplomacy pursued under President Gorbachev," Nakayama said.

In his prepared statement, the Foreign Minister refrained from passing judgment on the turn of events, calling it "entirely an internal affair of the Soviet Union."

But without prompting from reporters, Nakayama quoted Russian Prime Minister Ivan Silayev as saying in a press conference earlier in the day that what took place in the Kremlin was "illegal and unjustifiable."

A top Foreign Ministry official indicated that Gorbachev was most likely overthrown by hardliners opposed to his policies.

The official based his judgment on the fact that Gorbachev has issued no public comment, that a state of emergency has been declared, and that armored vehicles have been active in the capital.

He also noted that whatever happened had preceded by only one day the scheduled signing of a new union treaty.

Nakayama refrained from commenting on whether Japanese and other assistance pledged to Moscow at the recent London summit of the seven major industrialized democracies might be suspended.

But a top Foreign Ministry source said Japan would have to make its judgment on the basis of the policies adopted by the new leadership in Moscow.

Nakayama stressed that Japan will continue demanding the transfer of four islands seized from it by the Red Army at the end of World War II before entering into full-fledged ties with the Soviet Union.

The Foreign Minister said Japanese diplomats in Moscow have requested the Soviet Foreign Ministry to ensure the safety of Japanese in the Soviet Union, which include 6 permanent residents and 957 long-term residents.

MITI Official on Aid

OW2008020891 Tokyo KYODO in English 0148 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—Japan will consider suspending aid to the Soviet Union if there are major changes in the Soviet perestroyka (reform) programs, International Trade and Industry minister Eiichi Nakao said Tuesday.

Nakao made the statement while commenting on the Soviet political turmoil following the ouster of President Mikhail Gorbachev on Monday.

Ministry officials will meet to discuss Japanese policies toward the Soviet Union, which will be coordinated with Western industrial nations, Nakao said.

Britain earlier announced suspension of a planned 50 million pound program of technical aid to the Soviet Union which was to have been appropriated from a special British fund for aid to the Soviet Union and East European countries.

Britain was the first Western nation to impose an economic sanction against the Soviet Union following the coup against Gorbachev by military and Communist Party hardliners.

Further on MITI Aid Stance

OW2008114091 Tokyo KYODO in English 1047 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—The Ministry of International Trade and Industry (MITI) is considering suggesting the government suspend virtually all planned economic and technology assistance to the Soviet Union because of its leadership coup, a ranking MITI official said Tuesday.

The planned aid package includes the 15 technological fields which ousted Soviet President Mikhail Gorbachev agreed on with the Japanese Government during his trip to Japan in April.

Japan was to help the Soviet Union with know-how in such fields as distribution and transportation, in order to support the country's reforms toward a market economy.

Some of those projects, like sending Japanese oil refinery experts to Moscow and helping research in environmental protection, have already started.

But all of those projects are likely to be suspended until it is confirmed the Soviet Union's new leadership is maintaining Gorbachev's perestroyka (restructuring) policy, the official said on condition of anonymity.

As the new leader, Vice President Gennadiy Yanayev, and members of the Soviet Committee for the State of Emergency are all conservatives, there is no guarantee the regime will continue perestroyka, so the aid package should be overhauled, he said.

He said MITI has formed a task force on the Soviet crisis within its International Trade Policy Bureau.

Finance Minister on G-7 Meeting

OW2008024191 Tokyo KYODO in English 0135 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—Finance Minister Ryutaro Hashimoto said Tuesday it is premature to call for an emergency meeting of the financial heads of the Group of Seven (G-7) industrialized countries to discuss the situation in the Soviet Union following the ouster of President Mikhail Gorbachev.

Such a meeting would be "much too soon," Hashimoto said at a press conference after a regular cabinet meeting.

brushing aside speculation prompted by a news report in Tuesday's edition of a major Japanese daily, the MAINICHI SHIMBUN.

The newspaper article said a meeting of G-7 finance leaders could be held in Washington or New York on August 25 or September 1.

Hashimoto said that despite the Soviet crisis "the foreign exchange and finanical markets are functioning well amid coordination of the G-7 countries and the European Community."

Hashimoto also said the Finance Ministry [MOF] will voluntarily take measures to bar former ministry officials from taking jobs with securities houses.

The move is in response to criticism that former MOF officials getting senior posts in securities houses helped to create the atmosphere that led to the recent stock scandals.

Hashimoto did not say for how long the voluntary restraint will be imposed.

"We're not saying it will be for two years or three. We're thinking of imposing it until we can get back public confidence in the securities firms, the securities market and the administration of the Finance Ministry," he said.

However, MOF officials who have been retired for more than two years will still be able to enter the securities industry, he said.

Hashimoto said the recruitment of retired MOF officals "has so far been conducted under the lawful regulations of the National Personnel Authority, and I am absolutely certain that their recruitment has not twisted the admnistration of the securities market."

Government Proposes Talks

OW2008111591 Tokyo KYODO in English 0958 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 (KYODO)—Japan has proposed the major industrialized countries consult about the evolving situation in the Soviet Union in the wake of Monday's leadership coup by hard-liners and come up with a unified response, a Foreign Ministry spokesman said Tuesday.

Spokesman Taizo Watanabe said Japan has so far proposed the talks to such countries as the United States, Britain, and Germany.

Watanabe said the Japanese "initiative" envisions the Group of Seven (G-7) countries getting together "to exchange information about the current situation...and what measures should be taken."

"Japan deems it important that there be cooperation within the G- 7 framework amid this kind of situation," he said. The G-7 groups Japan, the United States, Germany, France, Britain, Italy, and Canada.

The spokesman said the proposal is still under negotiation between Japan and the concerned countries. "Nothing has been decided about who is going to meet who, at what level, where, and when," he said.

Meanwhile, Watanabe said high ranking Foreign Ministry officials held a meeting Tuesday with their counterparts from other ministries on the Soviet crisis.

He said in the meetings, which will be continued on a daily basis for as long as deemed necessary, the ministry will distribute any relevant information it has collected, offer its analyses, and solicit questions and observations.

Watanabe said a task force was also set up within the ministry to coordinate activities and exchange information related to the Soviet situation, headed by Vice Foreign Minister Hasashi Oawada and including the heads of the ministry's various bureaus.

More on Meeting Proposal

OW2008121891 Tokyo KYODO in English 1132 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—Japan has proposed the major industrialized countries consult on the crisis in the Soviet Union following the ouster of President Mikhail Gorbachev by hardliners to coordinate a unified response, a Foreign Ministry spokesman said Tuesday.

Spokesman Taizo Watanabe, in separate meetings with Japanese and foreign correspondents, said Vice Foreign Minister Hisashi Owada proposed the talks to his counterparts in such countries as the United States, Britain, and Germany.

Watanabe explained the Japanese "initiative" envisions the Group of Seven (G-7) countries getting together "to exchange information about the current situation ... and what measures should be taken."

"Japan deems it important that there be collaboration within the G-7 framework amid this kind of situation," he said. The G-7 groups Japan, the United States, Germany, Britain, France, Canada, and Italy.

Watanabe said Owada's counterparts appeared to be "thinking along the same lines," though they suggested "it could be difficult" to arrange such a meeting and offered that "we have to think more realistically."

"Nothing has been decided about who is going to meet who, at what level, where, and when," he said, though acknowledging a summit- level meeting could prove difficult to arrange.

The spokesman said aside from the idea of a meeting, "We have already decided to exchange information within the framework of the G-7."

Watanabe said Owada's efforts had in part influenced U.S. President George Bush and Canadian Prime Minister Brian Mulroney to telephone Prime Minister Toshiki Kaifu about the Soviet crisis.

Questioned about a possible suspension of Japanese economic and technical assistance to Moscow, Watanabe said Japan is first interested in "conveying our feeling of concern to the Soviet Union so that the right direction of perestroyka will be reinstituted."

But he added, "The situation being unfolded before our eyes would not allow us to proceed (with) whatever we are planning in the field of assistance, be it technical or otherwise ... as if nothing has happened."

The spokesman denied reports the government has already decided on the cancellation of 100 million dollars worth of food aid.

Watanabe said Japan "perceives what is happening in the Soviet Union as a very abnormal situation that is highly likely to be unconstitutional. We are watching and observing the situation with serious concern."

Watanabe said it is not unusual Japan has not followed the United States in terming the events in the Kremlin a "coup d'etat."

He stressed the necessity of acquiring accurate information about what has actually happened and noted most European countries have similarly displayed a more cautious tone than the United States.

Meanwhile, Watanabe said high-ranking Foreign Ministry officials held a meeting Tuesday with their counterparts from other ministries on the Soviet crisis.

He said in the meetings, which will be continued on a daily basis for as long as deemed necessary, the ministry will distribute any relevant information it has collected, offer its analyses, and solicit questions and observations.

Watanabe said a task force was also set up within the Foreign Ministry to coordinate activities and exchange information related to the Soviet situation, headed by Owada and including the heads of the ministry's various bureaus.

Planning Official on Impact

OW2008013991 Tokyo KYODO in English 1312 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—A top Economic Planning Agency [EPA] official said on Monday he does not think Soviet President Mikhail Gorbachev's downfall will sidetrack Japan's economic expansion.

Japan's stock markets, which plummeted after hearing of the takeover by Kremlin hardliners, will return to normal after the situation settles down, said the official who spoke on condition of anonymity.

He also said the yen's value against the U.S. dollar, which dropped in tandem with the German mark's decline, will probably be revised upward once market participants focus on the state of the Japanese and German economies.

The EPA official said there will be basically no change in Japan's plan to extend intellectual support for Soviet moves toward a market economy.

Contacts will also be maintained with the Soviet Government agencies concerned, including the Soviet Ministry of Economics and Forecasting.

Bank Supends Ruble Trading

OW2008045791 Tokyo KYODO in English 0447 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—The Bank of Tokyo has suspended foreign exchange dealings in the Soviet ruble following Soviet President Mikhail Gorbachev's ouster by hard-liners, a bank official said Tuesday.

The official, speaking on condition of anonymity, said it would be difficult to resume transactions regarding the Soviet currency for some time in light of the politial turmoil in the Soviet Union.

Defense Agency Official Remarks

OW2008021991 Tokyo KYODO in English 1354 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—Japan's Defense Agency had no advance warning that hardliners in the Soviet Union were about to oust President Mikhail Gorbachev, a senior agency official said Monday.

The leadership change is not being viewed by the agency as a Soviet military coup but one resulting from political intrigue within the Kremlin, the official said.

The Defense Agency has electronic monitoring posts throughout Japan to detect the movement of Soviet military aircraft and vehicles.

The agency spotted Chinese troop movements during the military crackdown on democratic protesters at Tiananmen Square in 1989 and the dispatch of military forces to the Azerbaijan Republic in January 1990, sources said.

The agency also recorded the voice of a Soviet pilot who shot down a South Korean airline north of Japan in 1983.

But no major troop movements were detected before or after the announced change of leadership in the Soviet Union, the official said.

Mayors Decide To Attend Vladivostok Meeting

OW2008082391 Tokyo KYODO in English 0738 GMT 20 Aug 91

[Text] Niigata, Aug. 20 KYODO—Two mayors of Fukui Prefecture scheduled to attend a Japan-Soviet conference for municipal chiefs in Vladivostok elected Tuesday not to go, citing the "confusion" in the Soviet Union.

Nineteen other mayors from Japanese coastal municipalities, however, accepted reassurances Vladivostok is "tranquil" and later departed from Niigata Airport for Khabarovsk.

Niigata Mayor Yoshiaki Hasegawa, head of the 36-member Japanese delegation, said "I have been in touch with Vladivostok and they have informed me the city is generally tranquil."

"The Foreign Ministry of the Russian Federation has also told us it is safe and to come, so we have left it up to everyone to decide for themselves," Hasegawa said.

Fukui City Mayor Yukio Otake and Tsuruga City chief Koichi Takagi opted not to go, saying the conditions are still confused and it is not the time to be visiting the Soviet Union.

The delegation will go to Vladivostok via Khabarovsk and is scheduled to call on the Russian Foreign Ministry in Moscow following the mayors' meeting. The group is scheduled to return August 31.

Bank To Maintain 'Cautious' Monetary Policy

OW2008043391 Tokyo KYODO in English 0144 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 (KYODO)—Bank of Japan Governor Yasushi Mieno on Tuesday showed a cautious attitude toward another reduction in the official discount rate in the wake of a slowdown in economic growth and a stock market plunge.

Speaking at a House of Representatives Budget Committee meeting, Mieno said the central bank will maintain a cautious monetary policy to secure price stability.

His remarks were in reply to a question by ruling Liberal-Democratic Party (LDP) Lower House Member Gentaro Nakashima, who said market expectations of another key rate cut are growing, as stock prices continue to decline, with investors wary over a series of stock scandals involving Japan's "Big Four" securities firms.

The closely-watched Nikkei Stock Average of 225 selected first- section issues suffered its fifth-largest plunge on record on Monday on news reports of the ouster of Soviet President Mikhail Gorbachev.

The central bank slashed its key rate, on which it lends to commercial banks, by half a percentage point to 5.5 percent per annum on July 1.

Securities Association 'To Beef Up Inspection'

OW2008013291 Tokyo KYODO in English 1148 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—The Japan Securities Dealers Association is planning to beef up inspection of brokerage houses in an attempt to overhaul the industry, industry sources said monday.

To achieve this end, the association is seeking to increase the staff of its supervisory department and deal severely with those brokerages that violate its regulations.

The association's plans were hammered out at its second meeting, which was held earlier in the day, aimed at cleaning up the industry after misconduct by major brokerage houses was brought to light.

The association examines all the securities houses once every two years to check their business conduct.

But with a full-time staff of under 20, the association is unable to fully supervise the industry, industry analysts say.

Thus when improprieties are discovered at a particular firm, it can only issue directives ordering it to shape up.

The structural reform panel was established following disclosures that securities companies, including Japan's big four brokerages, compensated favored clients for market losses.

Association officials said the association plans to formulate a code of ethics later this week after hearing opinions from academic and mass media representatives.

Shogo Watanabe, president of the association, told reporters the association is opposed to liberalizing fees on stock trading at present.

He said he does not think the present level of fees in Japan is too high compared with international standards.

In a related development, Finance Minister Ryutaro Hashimoto said the ministry will not draw up a proposal to set up an inspection organization to oversee the securities industry until the outcome of deliberations by the ad hoc commission on administrative reform is made clear.

Hashimoto's remarks followed the advisory panel's hearing on monday of the Finance Ministry's ways to prevent a recurrence of loss-compensation scandals involving a number of brokerage houses and business corporations.

Deliberations by the commission will be completed in time for the fiscal 1992 budget, he said.

New Plans Formulated To Improve EC Ties

OW2008080091 Tokyo NHK General Television Network in Japanese 0300 GMT 18 Aug 91

[Text] The Foreign Ministry has formulated new plans designed to promote improved relations with the European Community—EC—which has lately stepped up harsh criticism of Japan with a rapid expansion in trade imbalance in the backdrop. Active promotion of cooperation projects in the environmental and other areas is a pillar in the plans.

Because of sharply increased exports from Japan, the Japan-EC trade imbalance this year will likely rise to $30 billion in Japan's favor, or a record high. Hence, the EC has lately raised stern criticism against Japan.

The new Foreign Ministry plans call for active discovery of ways of protecting the global environment, developing tourist routes, and other projects that can set good examples for cooperative relations between Japan and the EC.

They also call for inviting to Japan young government officials of the EC member countries, who are charged with formulating Japan policies, and young researchers in the private sector to help deepen their understanding of Japan through observation of Japan's actual circumstances including industrial and cultural facilities.

They also envisage the introduction of computer systems in the ministry and provision of other setups to make it possible to provide the private sector with sufficient information on the integration of the EC and other events.

Part of the expenditures needed for these activities will be incorporated in the draft budget for the next fiscal year.

The Foreign Ministry hopes that these steady exchanges will lead to the deepening of mutual understandings and the improvement of relations with the EC.

Fujitsu Agrees on PRC Software Venture

OW2008114991 Tokyo KYODO in English 0855 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 (KYODO)—Fujitsu Ltd Japan's top computer maker, said Tuesday it has signed an agreement with two Chinese electronics firms to launch a joint venture in Beijing to develop computer software.

The Tokyo-based company said the new firm, to be capitalized at 50 million yen, will be 51 percent owned by Fujitsu and 49 percent by two Chinese computer software companies.

The new venture will benefit both sides as it enables Fujitsu to enlist a low-cost labor force and China to develop the software industry under the country's current five-year economic development plan, industry sources said.

The new company, with a staff of about 10, will develop Unix- format application software for sale to users in Japan and other countries, Fujitsu officials said.

They said the staff will be increased to about 1,000 in the future.

China currently engages in development of computer software through a joint venture with U.S. and Japanese electronics makers, including International Business Machines Corp. and Unisys Corp., both of the United States, and NEC Corp. of Japan.

North Korea

Yanayev Decrees State of Emergency in Moscow

SK2008095991 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 20 Aug 91

[Text] A decree by the acting president of the USSR on introducing a state of emergency in Moscow has been released.

According to TASS, a decree by acting USSR President Gennadiy Yanayev on introducing a state of emergency in Moscow was announced on 19 August in Moscow.

The decree reads:

In connection with the worsening situation in the city of Moscow, the capital of the USSR, caused by the failure to fulfill resolution No. 1 of the State Committee for the State of Emergency in the USSR dated 19 August 1991; because of attempts to organize rallies, street marches, and demonstrations; because of incidents involving incitement to riot; and in the interests of the protection and security of citizens, in accordance with Article 127 Paragraph 3 of the USSR Constitution I decree:

1. A state of emergency in the city of Moscow as of 19 August 1991.
2. Colonel General Kalinin, commander of the forces of the Moscow Military District, is appointed commandant of the city of Moscow garrison. He is invested with the unconditional right to issue orders subject to compulsory fulfillment in regulating the maintenance of the state of emergency regime.

USSR Emergency Committee's Appeal Cited

SK2008055191 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 19 Aug 91

[Text] The Soviet State Committee for the State of Emergency [SCSE] announced a letter of appeal to the Soviet people. According to a TASS report, a SCSE letter of appeal addressed to the Soviet people was released on 19 August in Moscow. The letter of appeal indicates:

Fellow countrymen, Soviet citizens: At this extremely grave and critical moment in the fate of the fatherland and our people, we appeal to you. Our great fatherland has met a fatal crisis. The reform policy which was initiated by Mikhail Gorbachev's proposal has been driven into a corner. Distrust, indifference, and despair have come to us instead of the zeal and hope that were found in the early stage. Regimes at all levels have lost the people's confidence.

Unprincipled policies have excluded concerns about the fate of the fatherland and citizens in our social life. The vicious act of mocking all state organs is being perpetrated. The country is now in a situation in which it can no longer be managed.

An extremist force that has taken the line of attempting to eliminate the Soviet Union, to cause the state to collapse, and to seize power at any cost by abusing given freedoms has emerged. The results of the nation-wide national referendum on the monolithic body [chonilsong] of the fatherland have been trampled underfoot. The crafty act of making nations fight against each other by abusing their sentiments is no more than a (?screen) to satisfy wild ambitions.

The political adventurers are not interested in the misfortune of their people today nor in their fate tomorrow. They have not only created an atmosphere of moral and political terrorism and attempted to conceal themselves with the shield of the so-called confidence of the people, but have also forgotten the fact that the relationship [ryongyedul], which they have condemned and tried to break up, was established, above all, on the basis of the people's support, and particularly on the basis of the support which had been proven for several centuries historically.

In essence, those who are leading the situation in the direction of overthrowing the constitutional system should assume responsibility for the fact that thousands of people, or tens of thousands of people, have died as victims of disputes among nations before their parents' time. Do they think of the adverse fortune of more than five million refugees? Because of them, billions [suchonman] of Soviet people, who lived with their families even till yesterday, have come out of their homes today and lost the joy of stability and living. As for the type of social system, the people should decide it themselves. This notwithstanding, they are attempting to deprive the people of their rights to decide it. Instead of paying attention to stability and the welfare of each citizen and society, the not small number of people who seized power utilized it as a means of their unwarranted advocation of the interests which have nothing to do with the people. Empty talk and numerous statements and promises have revealed only the poorness in their practical acts.

The expansion of power, which is more dreadful than anything else, is destroying our state and society. Each citizen feels great uncertainty in the future and greatly worries over the future of his children. The crisis in the regime has resulted in creating an economic collapse. The disordered and spontaneous phenomenon in transferring to the market economy has created all manner of egotism by region, organ, organization, and individual.

The law war [pop chonjaeng] and the encouragement of the trend of centrifugal separation [wonsim pullijok chuwi] have resulted in destroying the single national economic structure which had been enforced for scores of years.

As the result of this, the living standard of an overwhelming majority of the Soviet people has been rapidly lowered and speculation and the black market economy have been rampant.

One should have told the people the truth a long time ago. If we do not take emergency and resolute steps to stabilize the economy, it will be inevitable that starvation, increased poverty, and spontaneous mass complaints will accompany catastrophic consequences.

Only irresponsible people will have expectations for assistance from foreign countries. The act of begging cannot solve our problems. The means of rescue is in our own hands.

Touching on the present state of confusion in Soviet society, the letter of appeal indicates:

The nation is falling into a whirlpool of violence and lawlessness. Never has there been such a time in the nation's history as today, when there is such (?misrule) and violence that threaten the health and life of future generations.

Several million people demand that steps be taken against the monster [koemul] which spreads crime, immorality, and corruption.

Instability in the political and economic situation, which is being aggravated in the Soviet Union, is spoiling our position in the world.

In some places, a tune of pluralism [poksujuijogin kokjo] has resounded and the demand for reexamining our national policy has been raised. Furthermore, even voices on the possibility of implementating an international wardship system for dividing the Soviet Union and for some objects and districts in the nation are resounding.

Thus, the realities are miserable. Even until yesterday, the Soviet people felt a pride as the splendid citizens of an influential and respected nation among foreign countries. Today, the Soviet people have been reduced in the eyes of foreigners as ones who belong to a second class group who are despised and pitied. We must completely recover the pride and honor of the Soviet people.

The SCSE correctly understands the seriousness of the crisis arising in our country. The Committee is filled with resolve to take the most stern steps to rescue the state and society from the crisis as soon as possible by bearing the responsibility for the fatherland's destiny.

We promise to conduct a broad range of discussions of all people on the draft of a treaty of union members. Everyone will have the possibility and right to review this important document under the stabilized atmosphere and to decide his attitude on it. According to how the union will be, the destiny of a number of people in our great nation will be decided.

We will immediately recover the law-abiding spirit and maintain law and order, will end bloodshed, will declare merciless war on the world of crime, and will root up disgraceful phenomena that spoil our society's dignity and make the Soviet people shameful.

We will cleanly wipe out the criminal elements from the streets in our cities and will end the tyranny of plunders of the people's property.

The letter of appeal indicates:

The development of a nation should not be carried out in such a way as to lower the living standard of its residents.

The constant enhancement of all the people's welfare should become a rule of a sound society. The solution of problems in food supply and housing will be our priority interest. All existing forces will be mobilized to meet this most urgent of the people's demands.

We appeal to workers, peasants, working intellectuals, and all other Soviet people to resolutely advance by recovering the labor rule and order in the shortest period of time and by enhancing the level of production. The future of our life and our sons' and grandsons' lives and the destiny of the fatherland depend on this.

Our nation is a peaceloving country, and will thoroughly observe all duties it bears. We have no demands for anyone. We want to live peacefully and harmoniously with all people. However, we resolutely declare that we absolutely will not allow anyone to infringe upon our sovereignty, our independence, and the stability of our territories.

If anyone attempts to hold dialogue with our nation in the manner of giving instructions, he will face a resolute counterattack. We, a multiracial country, have lived with an overflowing sense of pride in our fatherland for many centuries.

We have never felt that our sense of patriotism is our shame. Based on this, we regard the rearing of the great present generation in our country and of future generations as a natural and necessary work.

Taking the attitude of idly watching this critical time in the fatherland's destiny means assuming the grave responsibility for truly tragic and unpredictable consequences.

Those who think that our fatherland is precious, who want to live and work under the atmosphere of peace and confidence, who do not want to accept the continued bloody conflict among the ethnic states, and who want to see the independence and prosperity of their fatherland, should make a correct unique choice.

We appeal to all the truly patriotic people and to the people with good intentions to put an end to the present disorderly time.

We appeal to all the Soviet people to give full, comprehensive support to the SCSE and to its efforts to rescue the nation from crisis, being conscious of the duties they bear before the fatherland.

The constructive proposals from political and social organizations, workers' groups, and the general public will be accepted with thanks as the expression of patriotic will to actively participate in the work of recovering the long-cherished friendship in the unified family of fraternal people and of resuscitating the fatherland.

USSR Veterans 'Support' State of Emergency

SK2008104791 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 20 Aug 91

[Text] The All-Union Council of War and Labor Veterans released a letter of appeal in support of the state of emergency.

According to a 19 August TASS report, the All-Union Council of War and Labor Veterans released a letter of appeal to all Soviet veterans.

The letter of appeal specifically noted the following:

The All-Union Council of War and Labor Veterans extends its unqualified and complete support for the establishment of the State Committee for the State of Emergency [SCSE] and for the introduction of the state of emergency in individual localities in the country.

Given the extremely grave situation, not only is this measure necessary, but it is also fully justified and inevitable.

We express our conviction that this measure will be supported by all war veterans, those who have rendered distinguished service in labor, and the Soviet Army.

We are calling on all the veterans and all the patriots who value the fate of our fatherland to be aware of their duty as citizens and display their sense of responsibility, discipline, and stubborness.

Our duty is to give full practical assistance in implementing the measures taken by the leadership of the country to rescue the socialist fatherland, stabilize the political situation, stop the economic ruin, and ensure safety and well-being to each individual Soviet people.

From experience we are convinced that only a single powerful state and friendship among the people guarantee the basic interests of each Soviet citizen and protect us from descending starvation and the tyranny of lawlessness.

We are calling on the war veterans to do their best to restore the greatness of the country and to bring happiness and prosperity to our people.

Soviet SCSE Issues Resolution Number One

SK2008074691 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 20 Aug 91

[Text] The Soviet State Committee for the State of Emergency [SCSE] issued Resolution No. 1.

According to a TASS report, the SCSE issued Resolution No. 1 in Moscow.

The Resolution pointed out: With a view to protecting the vital interests of the peoples and citizens of the USSR and the country's independence and territorial integrity, restoring law and order, stabilizing the situation, overcoming the gravest crisis, and preventing chaos, anarchy, and a fratricidal civil war, the SCSE resolves as follows.

1. All bodies of authority and administration of the USSR, union and autonomous republics, territories, regions, cities, districts, villages, and settlements should ensure unfailing compliance with state-of-emergency regulations in keeping with the USSR law "On the Legal Regime of a State of Emergency" and with the SCSE resolutions. In the event of their inability to ensure the observance of these regulations, the powers of the respective bodies of authority and administration are to be suspended, with their functions to be exercised by officials specially appointed by the SCSE.

2. The structures of power, administration, and militarized units acting contrary to the Constitution and Laws of the USSR shall be immediately dismantled.

3. The laws and decisions by bodies of power and administration that run counter to the Constitution and laws of the USSR shall be regarded invalid henceforth.

4. Activities of political parties, social organizations, and mass movements that prevent the normalization of the situation shall be suspended.

5. In connection with the fact that the SCSE temporarily assumes functions of the USSR Security Committee, the activity of the latter is suspended.

6. Citizens, institutions, and organizations should turn in without delay all types of firearms, munitions, explosives, military hardware, and equipment in their unlawful possession. The Interior Ministry, the KGB, and the Defense Ministry of the USSR should secure strict compliance with this demand. In case of refusal, the offenders will be brought to strict criminal and administrative account and weapons, munitions, explosives, military hardware, and equipment shall be confiscated in a compulsory order.

7. The prosecutor's office, the Interior Ministry, the KGB, and the Defense Ministry of the USSR should organize effective interaction of law-enforcement bodies and the armed forces to ensure protection of public order and security of the state, society, and citizens in accordance with the USSR law "On the Legal Regime of the State of Emergency" and resolutions of the SCSE.

Rallies, street marches, demonstrations, and strikes are not allowed.

In case of need, curfew will be introduced, patrol of territory will be carried out, examination will be conducted, and measures for enhancing the border and customs regulations will be taken.

Control over major state and economic facilities, and life-support systems will be conducted and, in necessary cases, the guards of these facilities will be organized.

The dissemination of instigatory rumors and actions provoking violations of law and order and kindling of inter-ethnic strife, disobedience to officials securing observance of the state of emergency regulations will be resolutely curbed.

8. Control over the mass media will be established. This work will be entrusted to an agency specially set up under the SCSE.

Other provisions in Resolution No. 1, which totals 16 articles, stipulate that bodies of authority and administration and heads of organizations and enterprises should take measures to increase organization and restore order and discipline to all aspects of public life and that the Soviet cabinet should make lists of all spot reserves of foodstuffs and industrial necessities within the period of one week, should strictly control their storage and distribution, should take emergency steps to cope with the urgent situation of the autumn harvest and the threat of starvation, should protect the nation's fuel, energy, and power complexes, and should take steps to ensure residents of housing and improve their living standard.

Issues Resolution Number Two

SK2008094891 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 20 Aug 91

[Text] The Soviet State Committee for the State of Emergency [SCSE] has issued Resolution No. 2.

According to a TASS report, all publications except nine papers published in Moscow are not being published accordance with SCSE Resolution No. 2 announced on 19 August.

The resolution reads:

Because a state of emergency has been introduced in Moscow and in individual localities in the USSR as of 19 August 1991, and in accordance with the Article 14 Paragraph 4 of the USSR law "On the Legal Regime of the State of the Emergency," the SCSE has decided the following:

1. The list of sociopolitical publications in central Moscow and other localities is temporarily limited to the following: TRUD, RABOCHAYA TRIBUNA, IZVSTIYA, PRAVDA, KRASNAYA ZVEZDA, SOVIETSKAYA ROSSYA, MOSKOVSKAYA PRAVDA, LENISKOYE ZNAMIYA, and SELSKAYA ZHIZN.

2. A special institution of the SCSE will decide when to resume the printing of the central Moscow City and local papers and other sociopolitical publications.

Health Ministry Spokesman on Cholera Prevention

SK1908123291 Pyongyang KCNA in English
1024 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—A spokesman for the Ministry of Public Health of the Democratic People's Republic of Korea in a statement issued to the press today pointed to a step for preventing cholera from being carried into the territory of the DPRK.

Referring to the outbreak of cholera in foreign countries as well as in South Korea which is separated from the North by a demarcation line, he said:

In light of the facts that the South Korean public health authorities announced an "emergency quarantine system" all over South Korea and that the United States, Japan and many other countries stopped issuing visas for tourists to South Korea for cholera outbreak, the spread of cholera in South Korea is considered to be very serious.

The DPRK Ministry of Public Health will take a necessary measure to prevent cholera from coming into the territory of our republic.

We will limit, principle, visitors to our republic whether they come from or through the regions and countries where cholera has broken out till the danger of cholera contagion has been removed, and those entering the DPRK for unavoidable reasons should carry cholera vaccination cards and should get medical check-up and be under the watch of medical workers.

At the same time, import of foodstuffs from the cholera-affected regions and countries shall be restricted and in case it is inevitable they have to be checked and sterilized by quarantine organs.

Panmunjom Meeting Discusses Cholera Situation

SK2008124991 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 20 Aug 91

[Text] Responsible liaison officials for the North-South high-level talks met at Tongilgak on our side in Panmunjom at 1000 this morning. During the contact, our side noted that cholera which recently broke out in Sochon, South Chungchong Province, is now rapidly spreading to Seoul, Okku, Pusan, Kunsan, Hongsong, Taejon, Poryong, Iri, and various other places across South Korea, taking people's lives. In consideration of the general practice that residents of places where cholera has broken out are banned from moving to other regions and that travel is controlled, our side raised the issue of many people from the South side coming to Pyongyang. At the meeting they decided that the responsible liaison officials of the two sides will meet again tomorrow to discuss this issue.

South's 'Grave Military Provocation' Reported

SK1808085491 Pyongyang KCNA in English
0814 GMT 18 Aug 91

[Text] Pyongyang August 18 (KCNA)—The South Korean puppets committed grave military provocation by bringing an armoured car into the demilitarized zone south of Military Demarcation Line (MDL) marker 0467 and putting it in readiness for an attack battle on August 17.

Earlier, on August 16, they fired M-16 automatic rifle bullets from a point in the demilitarized zone 300 metres south of the MDL marker 1120 and sent personnel armed with automatic rifles to a point in the demilitarized zone 400 metres south of MDL marker 0840 and let them fire scores of M-16 automatic rifle bullets.

The South Korean puppets, instigated by the U.S. imperialists, are getting frenzied in the moves for the provocation of a new war, pushing ahead with the large-scale construction of various attack positions at more than 30 places in the demilitarized zone along the whole length of the MDL.

On August 16 and 17, the South Korean puppets hastened in real earnest a large-scale position fortification project by bringing 500-1,000 working personnel into the demilitarized zone south of Pyonggang and Kimhwa, the central sector of the frontline, under our eyes.

This clearly shows that the South Korean puppets seek only confrontation and war, remaining indifferent to the peaceful reunification of the country.

ROK Authorities Criticized on Human Rights

SK1708071291 Pyongyang KCNA in English
0500 GMT 17 Aug 91

["Double Game To Cheat Public"—KCNA headline]

[Text] Pyongyang August 17 (KCNA)—The South Korean authorities announced that they released some 1,000 "model prisoners on parole" on the occasion of the "liberation day" and that organized ruffians and "offenders against people's life" were excluded from it.

It goes without saying that this is another double game of No Tae-u to convince public opinion that his group are interested in "human rights" and "public peace for people's life", says NODONG SINMUN in a signed commentary today.

It continues:

If they had the least interest in human rights, they should have released Rev. Mun Ik-hwan in his seventies, coed Yim Su-kyong, a laudable daughter of the nation, and other pro-reunification patriots and democrats. However, they were all excluded.

Behind the facade of "release on parole", No Tae-u is kicking up a frantic row of search and raid against Chonminnyon [National Democratic Alliance of Korea], Chondaehyop [National Council of University Student Representatives], Chonnohyop [National Council of Labor Unions], Chongyojo [National Teachers Trade Union] and other pro-democracy organisations and making a wholesale roundup of their core elements.

No Tae-u's statement that "offenders against people's life" were excluded from the "release on parole" is a lie to cheat the South Korean people.

It is No Tae-u that zealously backs the criminals denounced by society while suppressing and throwing behind bars the students and patriots fighting for independence and democracy in South Korean society and for national reunification.

The "release on parole" drama staged by No Tae-u, a fascist murderer more brutal and cruel than any preceding military fascist dictator in South Korea, is a fraud to divert elsewhere the attention of people denouncing the "security-oriented rule" and bridge over the "government" crisis.

South's Defense Minister's Statement Viewed

SK2008050291 Pyongyang KCNA in English 0432 GMT 20 Aug 91

["False Propaganda of Warmaniac"—KCNA headline]

[Text] Pyongyang August 20 (KCNA)—South Korean puppet Defence Minister Yi Chong-ku told the English-language newspaper Korea Herald that there is growing possibility of North's "resorting to military adventures" as it has recently been "developing biological, nuclear and conventional weapons." He blared that war spendings of the puppet army would be increased continuously for the coming three to four years to cope with it.

Commenting on this, a news analyst of NODONG SINMUN today says:

It is not us but the U.S. imperialists and the South Korean puppets who are resorting to military adventures on the Korean peninsula, brandishing germ and nuclear weapons. After deploying a large number of nuclear and germ weapons in South Korea, they are staging nuclear and germ warfare exercises in actuality through such war games as "Team Spirit" joint military exercises.

In April last the puppet defence minister had invited strong protests at home and abroad for his bellicose blast threatening to send commandoes to "surprise nuclear facilities" of the North, crying over fictitious "development of nuclear weapons" by it.

On the very day the South Korean puppets talked a baloney about the North's "development of biological and nuclear weapons" the South Korean radio CBS [Christian Broadcasting System] reported that although "defence spendings" are exorbitant, the outlays for social welfare and housing construction are set at a very low in the puppet government budget, causing discontent among the poor. [sentence as received]

The South Korean puppets seek through this false propaganda a sinister aim to justify the criminal new war provocation moves they are hastening with the U.S. imperialists. This intention of theirs was revealed by Yi Chong-ku's talk this time.

Denuclearization Said 'Burning Issue' for Peace

SK2008120691 Pyongyang KCNA in English 1036 GMT 20 Aug 91

["Denuclearization on Korean Peninsula Is Burning Issue for World Peace"—KCNA headline]

[Text] Pyongyang August 20 (KCNA)—If the United States continue to turn away from the question of denuclearization on the Korean peninsula, it would be unable to escape fiercer condemnations and rejection as a wrecker of world peace and security, says NODONG SINMUN today in a by-lined article entitled "Denuclearization on the Korean Peninsula Is a Burning Issue for World Peace."

The article reads in part:

What is important in the struggle to create nuclear-free zones is to realize denuclearization, to begin with, in the area fraught with the greatest danger of nuclear war.

The great leader Comrade Kim Il-song has said:

"To make the Korean peninsula a nuclear-free zone is essential to maintaining and consolidating peace in Korea and to guaranteeing peace in Asia and the rest of the world."

To turn the Korean peninsula into a nuclear-free zone is a very urgent question in guaranteeing peace in Asia and the rest of the world. Because the most dangerous hotbed of nuclear war can be removed only when the Korean peninsula is denuclearized.

The South of the Korean peninsula is the place where the U.S. imperialists' nuclear war moves are becoming most pronounced at present.

Nearly all types of nuclear weapons produced by the U.S. imperialists have been deployed in South Korea. They number more than 1,000 pieces.

The U.S. imperialists simplified the procedures of use of nuclar weapons in South Korea, worked out even a "120-day war plan" presupposing the use of nuclear weapons and are staging nuclear war games almost every day.

Their attempts to ignite a nuclear war in Korea is connected with their ambition for world domination. They think if they bring the Korean peninsula under their control they can realize without difficulty the ambition for domination over Asia and the rest of the world, let alone its neighbouring countries.

If a war breaks out in Korea under such conditions, it would immediately turn into a nuclear war and then our people and the other Asian peoples as well would suffer a nuclear holocaust.

Denuclearization on the Korean peninsula envisages banning the testing, production and possession of nuclear weapons and prohibiting the deployment and passage of nuclear weapons and military exercises within its territory. It also premises the withdrawal of the U.S. nuclear weapons from South Korea.

Our party and the government of our republic put forward proposals to turn the Korean peninsula into a nuclear-free zone and are making strenuous efforts to carry them into practice. Some time ago, too, the government of our republic advanced a new proposal for denuclearization on the Korean peninsula through a statement made by the Foreign Ministry.

What stand and attitude they adopt regarding the question of denuclearization on the Korean peninsula today is a touchstone showing whether they want peace or not.

CPC Liaison Department Delegation Arrives

SK1908123791 Pyongyang KCNA in English 1022 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—Zhu Liang, member of the Central Committee [C.C.] and head of the International Liaison Department of C.C., the Communist Party of China, and his party arrived in Pyongyang today.

The guests were met at the airport by Secretary Kim Yong-sun and vice-director of a department Kim Yang-kon of the Central Committee of the Workers' Party of Korea and and Chiang Zhengcai, charge d' affaires ad interim of the Chinese Embassy here.

Attends WPK Reception 19 Aug

SK2008062491 Pyongyang KCNA in English 0451 GMT 20 Aug 91

[Text] Pyongyang August 20 (KCNA)—The Central Committee [C.C.] of the Workers' Party of Korea [WPK] hosted a reception at the Mokran House Monday evening in honor of the head of the International Liaison Department of the C.C., Communist Party of China and his entourage.

Invited there were head of the CPC Central Committee International Liaison Department Zhu Liang and his entourage, charge d'affaires ad interim of the Chinese Embassy here Chiang Zhengcai and his embassy officials.

Kim Yong-sun, secretary of the WPK Central Committee, spoke at the reception.

A phase of political stability and unity has been definitely opened in China under the correct guidance of the Chinese party leadership with Comrade Jiang Zemin as its core and great successes have been made in the efforts to build a modernized socialism with Chinese characteristics and achieve the reunification of the whole country, he noted.

The Korean party and people, he said, highly praise the Chinese party leadership which is more firmly building up the party organizationally and ideologically and strengthening its leading role, and are sincerely rejoiced over the fact that all nations, closely rallied around the party, are accelerating the cause of the building of socialism.

Noting that the Korea-China friendship is being further consolidated and developed with each passing day, Kim Yong-sun declared: We will as ever make all efforts to bring into bloom through generations the friendship provided by the leaders of the two countries.

Zhu Liang spoke next.

I feel a lot of things afresh each time I visit Korea, he said, and continued: The magnificent West Sea barrage, grand monumental edifices soaring into the sky, residential houses built in rows—these tell the people that the Workers' Party of Korea is a great and glorious party and the Korean people are a heroic and invincible people.

The world people unanimously recognize the achievements made by the Korean people under the leadership of the great leader Comrade Kim Il-song and the Workers' Party of Korea, he said, and added: I am struck with wonders at all these things beyond description.

Noting that the friendly relations between the two parties and two countries have been broadened through the mutual visits and meetings of the Chinese and Korean leaders, Zhu stressed the need to strengthen China-Korea friendship under the present situation.

It is a significant success of the Korean party and Government in their external activities that a resolution on recommending the DPRK's U.N. membership was adopted at a meeting of the U.N. Security Council, he pointed.

The party, Government and people of China, he concluded, are consistently paying attention to the Korean people's cause of the country's peaceful reunification and will resolutely support this just cause in the future, too.

Kang Hui-won, Delegation Return From Cuba

SK1608152991 Pyongyang KCNA in English 1510 GMT 16 Aug 91

[Text] Pyongyang August 16 (KCNA)—A party and government delegation of the Democratic People's Republic of Korea headed by Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council, returned home today after visiting Cuba.

It was met at the airport by Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the Workers' Party of Korea and chairman of the Pyongyang Municipal People's Committee, Song Ho-kyong, vice-minister of foreign affairs, and Juan Jose Leon Vega, Cuban ambassador to Korea.

Joint Denuclearization Forum Held in Japan

SK1708053691 Pyongyang KCNA in English 0441 GMT 17 Aug 91

[Text] Tokyo August 15 (KNS-KCNA)—The Korean national peace committee delegation on a visit to Japan and the Japanese people's council against A-H bombs held a joint forum on "denuclearization of the Korean peninsula and the peace movement in Japan" in Tokyo on August 12.

Yasuhiro Maeta, editor of MAINICHI SHIMBUN, in his speech noted that the Democratic People's Republic of Korea hopes for a world without nuclear weapons and has consistently pursued a policy to this end. For Japan to normalize diplomatic relations with this country will be a decisive occasion in realizing peace and security in Northeast Asia, he said, and stressed:

The Japanese people must lend an ear to the appeal of the people of the DPRK who desire to turn the Korean peninsula into a nuclear-free zone, and only then can Japan be freed from the "U.S.-style view on value" and take first step toward peace in Asia.

An appeal adopted at the forum, referring to the new proposal of the DPRK Government to turn the Korean peninsula into a nuclear-free zone, called upon the Japanese people to fully support such activity of the DPRK and make efforts for an early normalization of diplomatic relations between Japan and the DPRK according to the joint declaration of the three parties.

Korean Youths' Festival in Tokyo Reported

SK1908071491 Pyongyang KCNA in English 0539 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—A grand reunification festival of youths and students was held in Tokyo over August 14-16 as part of the functions of the pannational rally, according to a KNS report from Tokyo.

Participating in the festival were more than 300 representatives of Korean youths and students overseas including the headquarters of Koreans in Japan and the Japan regional headquarters of the Pannational Alliance for the Country's Reunification (Pomminnyon).

After the festival was declared open, a statement denouncing the criminal acts of the South Korean authorities obstructing the passage through Panmunjom of the Paektu-Halla grand march squad for the promotion of the national reunification was released in the name of the preparatory committee of the consultative council of Korean youth and students overseas (tentative name). A statement for a success of the grand reunification festival of youths and students was released there.

A meeting singing reunification songs was held after the opening of the festival.

A Tokyo meeting (the main meeting) took place on August 15, the second day of the festival.

Yi Myong-kyon, chairman of the central standing committee of the League of Korean Youth in Japan, in his keynote report, called for developing the movement of Korean youths abroad to the formation of a solidarity organisation for national reunification and appealed to the overseas Korean youths to dedicate youthful ardor as the vanguard of the grand reunification march, rallied as one under the banner of Pomminnyon.

A resolution of the Tokyo meeting of the grand reunification festival of students in the North, the South and overseas for an agreement on the way of reunification and for peace and great national unity was adopted at the meeting.

Colorful functions including the "Yim Su-kyong cup" soccer games were held during the festival.

Foreign Minister Meets With Egyptian Ambassador

SK2008114691 Pyongyang KCNA in English 1045 GMT 20 Aug 91

[Text] Pyongyang August 20 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam today met and conversed with Egyptian Ambassador to Korea Bahjat Ibrahim Disuqi who paid a farewell call on him.

Kim Tal-hyon at Indonesian Embassy Reception

SK1808083391 Pyongyang KCNA in English 0812 GMT 18 Aug 91

[Text] Pyongyang August 18 (KCNA)—R. Muhamad Muharam Sumadipraja, Indonesian ambassador to the DPRK, gave a reception at his embassy Saturday evening on the occasion of the 46th anniversary of the independence of Indonesia.

Invited there were Vice-premier Kim Tal-hyon, vice-minister of Foreign Affairs Cho Kyu-il, director of the General Bureau of Diplomatic Corps Affairs Yi Man-sok, vice-chairman of the Radio and TV Broadcasting

Committee of the Democratic People's Republic of Korea Cha Song-su and other officials concerned.

Foreign diplomatic envoys here were present on invitation.

Toasts were exchanged at the reception.

Daily Observes National Liberation Anniversary

SK2008072091 Pyongyang Korean Central Broadcasting Network in Korean 0003 GMT 15 Aug 91

[NODONG SINMUN 15 August editorial: "Let Us Expedite Independent Reunification of Nation by Strengthening Main Forces of Nation"]

[Text] Forty-six years have passed since our fatherland was liberated.

Today as cheers over victory in socialist construction are loudly resounding and the spirit for national reunification is increasing daily among the people at home and abroad, we are commemorating the 15 August liberation day.

By winning victory in the anti-Japanese revolutionary struggle under the leadership of the great leader Comrade Kim Il-song, the Korean communists and people restored the sovereignty of which the nation had been deprived by the Japanese imperialists and achieved the nation's independence, thus opening a broad road to the building of a new society.

The victory in the anti-Japanese revolutionary struggle and the achieving of the nation's liberation were the precious fruition of the great leader Comrade Kim Il-song's providing the nation with strong main forces by uniting all the people based on the spirit of national independence.

The great leader Comrade Kim Il-song has taught: We could win victory in the anti-Japanese revolutionary struggle for the nation's liberation because the anti-Japanese guerrillas and the people were united with blood and all anti-Japanese patriotic forces struggled in firm unity.

During the period of the anti-Japanese revolutionary struggle, the patriotic people from various social strata were rallied behind the anti-Japanese national united front and fought against the Japanese imperialists with the united strength of the people.

As taught by the great leader, it is a most important truth of the revolution and faith cherished by our people in the course of the long revolutionary struggle that only when we strengthen the main forces and enhance their role, can we win victory.

From the first day of embarking on the revolutionary path, the great leader, who had a chuche-oriented outlook on the nation that sovereignty is the life of a nation and this should be realized by the united strength of the people, viewed the main force of national liberation as the Korean people and made every possible effort to strengthen the main force.

In the course of struggle to form the main force of the nation and of the revolution, the great leader clearly elucidated the precise path, strategy, and tactics for the Korean revolution based on the chuche idea and organized and mobilized the anti-Japanese revolutionary armed ranks and all the people in the struggle for national liberation.

Under the conditions in which there were no rear areas of the state and support from the regular army, the anti-Japanese armed ranks had to confront and fight against Japanese aggressors who had remarkable superiority in terms of combat capabilities. Thus, the anti-Japanese armed struggle was an unprecedentedly arduous struggle.

However, under the slogan of anti-Japanese national united front put forward by the great leader, a broad range of the patriotic forces struggled in firm unity based on patriotism and on the spirit for national independence. As a result, we achieved the cause of national liberation.

The anti-Japanese revolutionary fighters and patriotic people from all social strata, accepting the respected leader Comrade Kim Il-song's chuche-oriented national liberation line as a vital demand, fought in firm unity with the leader. Thus, we won constant victories and finally achieved the cause of national liberation by smashing the Japanese imperialists.

In the course of the anti-Japanese revolutionary struggle, socialism of our own style realized the chuche revolutionary tradition—a historical root which can overcome any storm—and the tradition of great national unity which enabled us to pioneer the destiny and future of the people with independent strength.

In particular, the noble tradition of unity and cohesion which were realized during the era of the anti-Japanese revolutionary struggle has become an everlasting cornerstone which enabled us to consolidate and develop the unity and cohesion of our party and people generation after generation and to firmly strengthen the main force of our revolution and of our nation.

The 15 August national liberation was an event with enormous significance for our people's struggle for socialism and communism and for pioneering the nation's destiny.

The period from national liberation to the present was the proud annals during which a new world was created under the leadership of the party and the leader and the era of great national prosperity and development opened.

Since the great leader Comrade Kim Il-song brilliantly led the struggle to build a new fatherland under the banner of the chuche idea, the destiny and situation of our fatherland basically changed.

Our country, which once had faded, today turned into a strong socialist country shining before the entire world with independence, self-reliance, and self-defense.

Our fatherland, which the great leader Comrade Kim Il-song restored, has been strengthened and developed into a more powerful and dignified country amid the march of the entire society's chuche-orientation.

Dear leader Comrade Kim Chong-il, who is brilliantly implementing the respected leader's idea of building the nation, constantly expounded the gigantic effort to glorify Korea. Thus, great innovations and development were effected in all domains of national and social life and the superiority of socialism of our own style has been extensively displayed.

Dear leader Comrade Kim Chong-il, in particular, thoroughly inherited the anti-Japanese revolutionary tradition and made all the people firmly rally behind the slogan of the entire society's chuche-orientation. Thus, he attained unprecedented unity and cohesion of the people and remarkably strengthened the main force of the revolution.

Today socialism of our own style is ever-victorious—without even the slightest degree of wavering under any circumstance—and a bright future is opened before it. This cannot be thought of without the firmness of unity of our people and indomitably of the main force of the revolution.

Our fatherland's modern history taught the precious lesson that when the people advance by upholding the great leader, they can strengthen the main force of the nation and, with its might, they can achieve the nation's independence and brilliantly pioneer the destiny of the fatherland.

All party members and workers should tenaciously defend and protect the immortal achievements of the respected leader Comrade Kim Il-song, who rescued the nation and people from their life-and-death crisis and basically changed their position and situation, and the revolutionary tradition established by the leader. Thus, they should highly uphold the leadership of the party and the leader.

The struggle waged in the past by the anti-Japanese revolutionary fighters and patriotic people for the nation's liberation was carried out not merely in half of the nation, but on a pannational scale to restore the sovereignty of the people.

However, the Korean question was disposed of against our people's independent demand and will after World War II, and the United States occupied South Korea. As the result, our nation was divided and the South Korean people have not been able to escape colonial rule even now.

It is the greatest desire of all Korean people to reunify the fatherland, and our people should not hand over the task of national reunification to future generations.

Our party and the Government of the Republic put forward a number of fair, just, and realistic proposals and methods for national reunification and are making every effort to expedite the nation's reunification.

The historic work recently published by the great leader Comrade Kim Il-song, "Let us achieve the great unity of our people," expounded the most precise path for reunifying the fatherland by strengthening the main force of the reunification—the independent main force of the nation—and gave new confidence and optimism for reunification to all fellow countrymen.

This work is a classical document which comprehensively systematizes anew the ideology and theory on great national unity based on the chuche idea and is a programmatic work to vigorously inspire the struggle of our fellow countrymen to expedite and achieve reunification in the nineties.

The work pointed out that what is important, all in all, for achieving national reunification is to achieve the great unity of our people and elucidated anew the principled issues for all the people to reconcile one another and struggle in unity.

The great leader Comrade Kim Il-song has taught: Our nation's reunification should be achieved independently and peacefully without fail. To do this, the great national unity should be realized. The issue of reunifying the fatherland independently and peacefully cannot be thought of without our people's great unity. The great national unity is a basic factor for the independent and peaceful unity of the fatherland and, at the same time, constitutes its essential content.

As his immortal work pointed out, the main force of national reunification is all the Korean people, and realizing the reconciliation and unity of all the people is national reunification and constitutes the essential content of reunification.

Attaining national reconciliation and unity is the most just and realistic method to achieve the nation's reunification independently and peacefully.

Under the condition in which different ideologies and systems practically exist in the North and the South, the only road for attaining the national reconciliation and reunification is the confederal method. The attempt to realize reunification in such a manner as to enforce one side's own ideology and system upon the other side will only result in new national disaster.

Since the great leader elucidated the idea that the reunification through confederal method is the genuine road for the nation's reconciliation and reunification, the justness and reasonableness of the plan for establishment of the democratic confederal republic of Koryo [DCRK] have been more clearly proven and the effort to realize this plan has become more realistic.

Based on an ardent love of the nation and on the spirit of national independence, all the Korean people should firmly unite themselves and strengthen the main force of national reunification so that they can reunify the nation independently and peacefully.

Realizing the basic principles and methods for attaining the great national unity expounded by the great leader Kim Il-song is a precise and realistic road for achieving national reconciliation and unity and for expediting national reunification.

The compatriots from all walks of life in the North, the South, and overseas, transcending differences in ideologies, systems, and religion, should give priority to the common interest of the nation and subjugate everything to the cause of national reunification. This is the basic principle for realizing the great national unity.

According to this principle, all workers, peasants, intellectuals, even those who committed a crime against the nation, and the people should turn out on the road for reunification. If they do so, we can further strengthen the nation's independent reunification force.

To realize the great national unity, frequent contacts and visits should be realized among compatriots in the North, the South, and overseas, and active dialogue should be developed among them. Thus, the organizational unity of all political groups and public organizations, as well as the compatriots from all social strata in the North, the South, and overseas, should be realized.

The Korean compatriots at home and abroad should actively wage various forms of common struggle to strengthen pannational solidarity for national reunification and to check and frustrate the anti-reunification forces' maneuvers for permanent national division and new war provocation. They should carry out a nationwide struggle to force the U.S. troops and nuclear weapons to withdraw from South Korea and to turn the Korean peninsula into a nuclear-free, peace zone.

The Pannational Alliance for National Reunification [Pomminnyon] should carry out various activities to constantly expand and strengthen the ranks among compatriots and to expedite national reunification.

Removing various political and juridical barriers by demolishing the barrier of division is a precondition for developing contact and dialogue between the North and the South.

The United States and the South Korean authorities should discard maneuvers to obstruct the reunification of the fatherland while running counter to the demand of our people and to the trend of the times. They should demolish the concrete barriers in the South side's area along the Military Demarcation Line, should abolish the notorious National Security Law, and should unconditionally and immediately release those who visited the North and all patriotic reunification figures. This is also beneficial to them.

Today the spirit for national reunification is being enhanced more than ever before. No one can break the will of compatriots in the North, the South, and overseas to achieve the national reunification in the nineties without fail. No one can block such a fierce flow of the time.

Just as our people achieved the cause of national liberation by strengthening the main force of the nation in the past, we will realize national reunification without fail by strengthening the unity of all the people and by removing barriers and difficulties laid on the path toward national reunification.

Today it is a most glorious and valuable work for the Korean people to dedicate themselves to national reunification. Those who will contribute to the sacred cause of national reunification will be loved and respected by the people and will be highly appraised in the name of the reunified fatherland.

Independence, peace, and friendship are the basic ideal of our party's foreign policy. Under this ideal, our people will expand and develop friendship and cooperative relations with socialist countries and will strengthen friendship and unity with the world's peaceloving people including the people of the Third World. We believe that the DPRK-Soviet Union friendship, which was forged throughout a long period of history, will develop in compliance with the common desire of the peoples of the two countries.

All party members and workers should vigorously accelerate the socialist construction by upholding the banner of the chuche idea and should actively contribute to expediting the independent reunification of the fatherland.

Kim Il-song Said To Lay Down New Principle

SK2008115791 Pyongyang KCNA in English 1029 GMT 20 Aug 91

["Fundamental Principle That Must Be Maintained in Achieving Great National Unity"—KCNA headline]

[Text] Pyongyang August 20 (KCNA)—The great leader Comrade Kim Il-song newly laid down a fundamental principle that must be maintained in achieving great national unity in his work "Let Us Achieve the Great Unity of Our Nation", says NODONG SINMUN in a by-lined article today.

It quotes the great leader Comrade Kim Il-song as saying:

"For the realisation of great national unity the compatriots of all social strata in the North, South and abroad must place the common national interests above all else and subordinate everything to the cause of national reunification, transcending the differences in idea, social system and religious belief. We must regard this as a fundamental principle in achieving great national unity and firmly adhere to this principle."

For the realisation of great national unity the compatriots from all walks of life in the North, South and abroad must adhere to the fundamental principle of placing the common national interests above all else, transcending the differences in ideology and social system and subordinating everything to the cause of national reunification.

This is because it is an important matter related to the destiny of our fellow countrymen and the life of the nation to restore the independence of the nation by achieving national reunification.

The common demand of the nation for reunification as a homogeneous nation is incomparably more important than the interests of individual classes and circles.

For achieving great national unity, therefore, the fundamental principle of placing the common national interests, that is, national reunification, above all else and subordinating the interests of individual classes and circles to it must be maintained.

Another reason why this fundamental principle must be maintained is that the commonness of the nation is greater than the differences in social system, ideology and idea.

The people of the North and the South of Korea is of a homogeneous nation and there is no change in the commonness of the nation and the nation still remains homogeneous. The commonness of our nation which was formed and consolidated through a history of 5,000 years is greater than the differences in social system, ideology and idea which have been temporarily created by division forced by alien forces.

Unity is achieved on the basis of commonness, not differences.

The great unity of the nation can be achieved, therefore, only when it is based on the commonness of the nation.

Daily on People's Advance Toward Socialism

SK2008112591 Pyongyang KCNA in English
0957 GMT 20 Aug 91

["Korean People Will Advance Towards Socialism to the End"—KCNA headline]

[Text] Pyongyang August 20 (KCNA)—It is an unshakable conviction of the Korean people that capitalism is sure to ruin and socialism to win and the Korean people will advance only along the road of socialism under the leadership of the Workers' Party of Korea, declares NODONG SINMUN today in a by-lined article headlined "It Is the Trend of History To Advance Along the Road of Socialism Under the Banner of Independence".

The article says:

The imperialists are loudly claiming that the history of socialism is returning to capitalism. But this is nothing but a dream which can never be realised.

The cause of socialism is sure to win.

It is an immovable law that socialism wins and capitalism goes to ruin.

The article quotes the dear leader Comrade Kim Chong-il as saying:

"Socialism is a new social system which differs fundamentally from all the exploitative societies that have existed in the history of mankind. As such, it has to blaze a trail through fierce struggles against class enemies. Therefore, it may meet with transient setbacks on its way. However, mankind's advance along the road of socialism is the law of historical development that no force can ever check."

Socialism is sure to triumph, because, in a nutshell, it is a new thing.

The inevitability of the victory of socialism lies in that only this society can most creditably meet the desire of the popular masses to live an independent and creative life and unite them in a political force so that they can highly display their creative might.

No matter how hard capitalism is beautified, capitalism cannot change its exploitative nature and it cannot be a society in which the popular masses live a happy life.

Unity and cooperation is the main factor of the social relations in the socialist society based on collectivism. Socialist working people who are in the common social and economic lot live and work in unity with the same purpose and interests.

This is why only socialist society can achieve political stability, economy can constantly develop on a stable basis and the entire people can live a sound life.

Noting that the anti-socialist moves of the imperialists are bound to go bankrupt, the article continues:

Urged by the wild design to restore their lost old position and dominate the world, the imperialists are now making desperate efforts to destroy the cause of socialism, while resorting to the position of "strength" and strategy of "peaceful transition". But this does not show their mightiness but reveal their vulnerability.

Today their strategy of "peaceful transition" is motivated by a sinister aim of disintegrating socialism from within under the cloak of "democracy" and "freedom". Their shameless moves will create a temporary difficulty in the cause of independence of mankind, but cannot frighten the revolutionary people, still less turn back the powerful flow of history towards socialism.

Although the imperialists are hell bent on the vicious scheme to bring the people of the socialist countries and other progressive people of the world to their knees by threatening and blackmailing them militarily, bribing and subordinating them economically and disrupting them ideologically and culturally, wielding a nuclear weapon in one hand and a purse in the other, this is no more than a symptom of the doom.

Declaring that our people will advance only along the road of socialism, the article goes on:

From the first day of the struggle for socialism our people have successfully built socialism of our own style in this land along a unique road under the banner of the chuche idea.

Everything of our socialism has been gained, to all intents and purposes, by the option and faith of our people from its shaping to its victorious advance and consolidation and development. And everything from the guiding idea of revolution, the lines and policies of the party, and the strategic and tactical policies to the political and economic system of society and way of life has been solved our own way by our own struggle in conformity with the specific conditions of the country.

Socialism established by us is people-first socialism strictly defending not only the demand of the working class and the masses of all strata but also the independent rights of the nation and the desire of the world people for independence.

Unswerving is the will of the Communists and people of Korea to successfully fulfil their noble national and international commitments to the time and history.

To discharge the mission devolved upon them by the cause of independence our people will, first of all, continue to thoroughly establish chuche under the uplifted banner of the chuche idea. The chuche idea, socialism and singlehearted unity have become dearer to our people than their life.

Nobody can impair them or deprive our people of them.

It is a great national pride of our people to dynamically advance the cause of socialism along the road chosen by them under the leadership of the great leader Comrade Kim Il-song who is boundlessly respected and trusted by the revolutionary people of the world.

Our people will decisively smash the anti-socialist moves of the imperialists and all hues of reactionaries, firmly defending the idea and stand of their party and revolutionary principle whenever and everywhere and share their destiny with the party forever.

Progress of Electronic, Automation Industries

SK1608152191 Pyongyang KCNA in English 1459 GMT 16 Aug 91

[Text] Pyongyang August 16 (KCNA)—Electronic and automation industry is making a fast progress in Korea.

O Su-yong, first vice-chairman of the Electronic and Automation Industry Commission of the DPRK, said that this industry of the country has entered a new stage of development.

New numerical control [N.C.] machine tools, N.C. universal processing lathe, latest-type digital control devices, super-large integrated circuits and all kinds of computers have been developed and the industrialization of their production has been energetically accelerated over the last few years.

Big efforts have been directed to industrializing the production of integrated circuits to put minor integrated circuits into mass-production.

Hundreds of electronic and automation elements and devices have been developed and their production bases built in all parts of the country.

Integrated circuits and electronic chips which can develop electronics industry to a higher stage have been developed and bases for their production built in recent years.

The automation industry is entering a new stage of development with the promotion of the automation of production processes at thermal power plants and introduction of telemechanics into them.

The newly built Korean computer centre went into operation in October last year.

The centre, a central base of computer technology, develops various programs, disseminates computer technology, introduces advanced technology into production, supplies latest information and develops new electronic equipment.

The Pyongyang program centre was commissioned this year to help computerize production processes and management in national economic domains.

The electronic and automation industry of Korea has made a rapid development since the 14th plenary meeting of the 6th Central Committee of the Workers' Party of Korea held in November, 1988. The meeting discussed tasks to rapidly develop machine tool industry and electronic and automation industry.

Iron, Steel Production Reportedly Increases

SK1908152991 Pyongyang KCNA in English 1458 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—Korea set itself a goal of more than doubling the production capacity of iron and steel in the 1990s as against the 80s.

The construction of a new steel production base and the development project of an ore mine have been dynamically stepped up and capacity expansion projects are currently under way to this end.

The builders of the modern October 9 general steel works with a capacity of millions of tons completed the groundwork of two electric furnaces ahead of schedule and erected hundreds of pillars for the construction of a lime calciner.

A project for the development of Sohaeri mine which will annually produce hundreds of thousands of tons of iron ores has been vigorously accelerated; the construction [words indistinct] shafts has reached the final stage and a large part of the construction of the ore dressing plant building has been carried out successfully.

The Hwanghae iron and steel complex is directing big efforts to building one more furnace with a capacity of 150,000 tons in a short time and increasing the cubature of furnaces and rolling capacity in order to create hundreds of thousands more tons of production capacity; the assembling of a continuous roughing machine has already been finished.

The Songchin steel complex completed the construction of buildings of a new high-pressure pipe production base.

The Musan mining complex has vigorously pushed ahead with a project to more than double the iron headings production capacity and thus already completed the laying of overburden conveyers in several sectors and the construction of 2 crushing grounds, the system No. 1 of tailings dehydrating ground and several ore dropping chutes and many other projects and is stepping up the remaining construction projects at the final stage.

The Tokhyon mine completed the construction of two shafts and is pressing ahead with the construction of three other shafts simultaneously and creating a high speed of construction in the crushing system project of the ore dressing plant.

The projects to double iron headings production capacity are progressing at a fast speed at the Unnyul, Chaenyong and Taetan mines.

Data on Development of Sericulture Reported

SK2008112991 Pyongyang KCNA in English 1013 GMT 20 Aug 91

[Text] Pyongyang August 20 (KCNA)—A rich harvest of cocoons has been reported from rural communities of Korea.

According to data available at the Agricultural Commission, this year the output of cocoons is 20 percent above that in the same period last year.

Sericulture in Korea has a long tradition.

According to data, mulberry growing and silkworm raising thrived in Nyongbyon, Pakchon and various other areas already from 3,000 years ago.

After the liberation of the country sericulture has developed diversely in the form of wild silkworm and castor silkworm raising with main emphasis on mulberry silkworm.

A step for specialized and intensive raising of silkworm has been taken.

Many specialized farms made their appearance in different places of the country and silkworm raising has been vigorously conducted as an all-people movement.

Scientists and technicians in sericulture improved strains of cocoons and remarkably raised the yield of feed plants, thus making it possible to increase the production of cocoons.

The cocoon production of the country doubled over the last 10 years.

Today sericulture of the country reliably guarantees the developing silk textile industry.

KCNA Review of 20 Aug Pyongyang Press

SK2008051591 Pyongyang KCNA in English 0422 GMT 20 Aug 91

[Press review]

[Text] Pyongyang August 20 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to President Arpad Goncz of the Hungarian Republic on the occasion of the national holiday of Hungary.

According to NODONG SINMUN, a seminar on "Our Socialism for the People Will Not Perish", a work of the dear leader Comrade Kim Chong-il, was held in Portugal.

His Royal Highness Samdech Norodom Sihanouk, chairman of the Supreme National Council of Cambodia, left Pyongyang by special plane after concluding his visit to Korea, says the press.

The press says that Premier Yon Hyong-muk sent a message of greetings to Khamtai Siphandon upon his appointment as prime minister of Laos.

NODONG SINMUN devotes nearly one whole page to an article entitled "It Is the Trend of History To Advance Along the Road of Socialism Under the Banner of Independence".

Econews of the press includes reports that transport workers under the Ministry of Railways have carried 7,090,000 more tons of freight than the rated traction tonnage in a little more than seven months and the construction of minor power stations is being stepped up in South Hamgyong Province.

According to NODONG SINMUN, the head of the International Liaison Department of the Central Committee of the Communist Party of China and his entourage arrived in Pyongyang and the Central Committee of the Workers' Party of Korea feasted them.

The president of Singapore met with the DPRK ambassador to Singapore, says the press.

The press informs the readers that DPRK-Japan aviation talks will be held in Beijing.

NODONG SINMUN observes airforce day.

It is reported in the press that the book "North Korea" was published in the United States.

The press carries a statement of the spokesman for the Ministry of Public Health of the DPRK concerning a measure taken to prevent cholera which is prevalent in many parts of the world including South Korea these days from being carried into the territory of the DPRK.

In a commentary, NODONG SINMUN denounces the twaddle of the puppet minister of defence that they would continue to increase military expenditures against the North.

The daily runs a commentary condemning the No Tae-u group for constructing the "tower of desire for reunification" to earn money by availing itself of the ardent aspirations of the people for reunification.

NODONG SINMUN and MINJU CHOSON come out with articles under the respective titles "Fundamental Principle That Must Be Maintained in Achieving Great National Unity" and "Basic Principle of Great National Unity".

South Korean news of the press includes reports that Kwangju-South Cholla Province Democratic Alliance called for the abrogation of the "National Security Law" and teachers protested against the suppression by the authorities.

Papers report that Gorbachev transferred powers and the USSR State Committee for the State of Emergency was formed and it published an appeal to the Soviet people.

It is reported in the press that a joint plenary meeting of the party committees and control committees of the Communist Party of the Soviet Union within the Soviet Army adopted an appeal to the members of the communist party of the army and navy and the Chinese PEOPLE'S DAILY carried the appeal.

The press reports that the Indonesian president called upon the people to strengthen social unity and cohesion and Japanese opposition party leaders called for disarmament.

NODONG SINMUN informs the readers that the U.S. imperialists staged one more nuclear test.

The daily runs an article stressing that the denuclearisation of the Korean peninsula is vital to world peace.

South Korea

North Bars South Because of Cholera 'Epidemic'

SK2008064591 Seoul YONHAP in English 0620 GMT 20 Aug 91

[Text] Seoul, Aug. 20 (YONHAP)—Talks next week between the South and North Korean prime ministers were called into doubt Tuesday, when the North barred visits by South Koreans because of a cholera epidemic in the South.

Pyongyang proposed that instead the prime ministers meet at Tongilgak in the northern section of the truce village of Panmunjom on Aug. 27-28 or Aug. 28-29.

The South Korean Government called a meeting of ministers concerned for later Tuesday to draw up a response to the northern proposal, but is highly likely to reject it as Pyongyang was fixed as the venue for the high-level talks in preliminary meetings.

The North Korean proposal came in a meeting of the liaison officials at Tongilgak. The two sides are to resume the liaison officials contact Wednesday to continue their discussion.

A government official denied the possibility of Seoul accepting the North Korean request, saying, "It is an established agreement that the high-level talks be held alternatively in Seoul or Pyongyang. Accordingly, we will persuade the North to follow the original schedule."

The prime ministers met three times last year, but North Korea called off the fourth round of talks, slated for February, to protest the annual South Korea-U.S."Team Spirit" joint military exercise.

Contact Ends; Premiers Talks May Be Delayed

SK2008062691 Seoul KBS-1 Radio Network in Korean 0500 GMT 20 Aug 91

[Text] It has been learned that there is a strong possibility that the fourth round of North-South high-level talks slated for 27 August will be postponed. Responsible liaison officers from the North and the South sides met today at the Tongil Pavilion in the North side's area of Panmunjom to discuss the procedures for a visit North by our side's delegation to the North-South high-level talks.

However, according to a report, at today's meeting, indicating the outbreak of cholera in South Korea, the North side asked the South side to take preventive measure against cholera for members of the South Korean delegation when they visit Pyongyang. The North side suggested that the South Korean delegation come to Pyongyang through a third country if it does not want to take the aforementioned preventive measure. At the same time, the North side proposed to the South side that the venue for the fourth round of the talks be changed to Seoul, as circumstances may require.

North Asked To Discuss Group of 77 Meeting

SK2008030591 Seoul YONHAP in English 0251 GMT 20 Aug 91

[Text] Seoul, Aug. 20 (OANA-YONHAP)—South Korea has asked North Korea to let Seoul's delegation to the 7th Asian ministerial meeting of the Group of 77 [G-77] in Pyongyang next month cross the truce village of Panmujom, a Foreign Ministry official said Tuesday.

Vice Foreign Minister Yu Chong-ha, who will head the Seoul delegation, proposed in a telephone message that liaison officials meet to discuss the issue.

"We are sure the Pyongyang meeting (Sept. 7-12) will be a milestone opening South-North Korean cooperation in the international arena and we look forward to a positive response," Yu said in the message.

A two-day senior officials' meeting will precede the ministerial conference Sept. 10-12, the official said.

The G-77 is part of the U.N. Conference for Trade and Development (UNCTAD) established in 1964 among developing nations. The South joined the group in 1964 and North Korea in 1973. UNCTAD now has 127 member nations, and 43 are from Asia.

Interview With High-Level DPRK Defector

SK1908073591 Seoul WOLGAN CHOSON in Korean July 91 pp 290-303

[Article by Cho Kap-chae, "Interview With Former High-level Official of DPRK Ministry of Public Security Who Defected to South Korea: 'I Was in Charge of Materials for the Yongbyon Nuclear Facility Construction.'"]

The Core, Basic, and Impure Classes

Drawing a picture, even superficially, of what North Korean society is like today is not that difficult based on the testimony of those who have visited the country or those who have lived there. But what do the privileged classes, those who dominate North Korean society, think? How do they live? How are they accepting the changing international situation and North-South Korean relations?

Choe Sang-kyu (age 48, pseudonym), a North Korean who recently defected to South Korea, knows better than anyone else the thoughts of North Korea's privileged class. He worked for 20 years as a cadre of the Ministry of Public Security [MPS], and even associated with Kim Chong-il during his younger years.

In 1987, Choe was working as the chief (colonel rank) of the foreign currency section, second engineering department, MPS, when he was summoned by the Worker's Party of Korea [WPK] to be the president of the Taeyang Trade Company, a "direct-managed foreign currency earning enterprise of the WPK's cadre department." As president, he was dispatched to Africa to command trading operations of cobalt and uranium. He worked there until May 1988 when he came to Seoul from West Europe through Bangkok.

The WOLGAN CHOSON conducted the first full-scale interview with Choe, who possesses a great amount of information concerning the inner sanctum of North Korea's dominant class.

"Even after coming to South Korea, I was unable to denounce Kim Il-song for the first year. The thought that someone may be listening was too deeply rooted in my consciousness. . . .Even if I had thought of hating a person whom I had only worshiped for 40 years, there was no way to really express it."

Now, when he sees the sight of North Koreans standing rigidly on television programs like "Nambuk-ui chang" [North-South Window] or "Tongil chonmangdae" [Unification Observatory], he says he begins to chuckle at the sight.

Choe's family was treated as cadre, his father being the editorial bureau chief of the "NODONGJA SINMUN." Even at the time, Pyongyang was such a place that the children of most cadres hung out together. This included Kim Chong-il, as well as Kim Il-song's second cousin Kim Myong-su (a State Security Department [SSD] cadre), Kim Myong-ho (currently a division commander), Choe Hyon's son Choe Ryong-hae (currently chairman of the central Socialist Workers Youth League) [SWYL], and the sons of other notable figures such as Pak Song-chol and Kim Il.

The power of the "dollar" in North Korea is the same as it is in other socialist countries. Working in a job that handled foreign currency, Choe was accounted much better status than that actually appropriate for his position, and was able to enjoy special privileges. Thus Choe can be termed a person acutely aware of the physiology of the privileged class in North Korea.

[Cho Kap-chae] If one reads the book "Human Rights in North Korea" by the Committee of Minnesota Lawyers and Asia Watch, it is said that there are some 50 constituent classifications into which North Korean citizens may be divided. . . .

[Choe Sang-kyu] "That is actually more a functional classification than a constituent classification. Even though I worked in the MPS for 20 years, I never once classified citizens using that method. Generally speaking, we divided them into a core class, basic masses, and the impure class.

"The core class included Kim Il-song, those who participated with Kim in the partisan struggle, their families, families of soldiers who participated in the Korean War, blood relatives and those closely related to Kim Il-song's lineage. They account for some 20 to 25 percent of the population. The basic masses account for around 50 percent of the total population. They are primarily workers and peasants who, unaffected by the various political changes around liberation, have lived rather simple lives.

"The remaining impure class consists of offspring of pro-Japanese collaborators, landed capitalists, families of spies who worked within U.S. intelligence agencies during the Korean War, those who worked with the peace preservation corps during the brief time North Korean forces retreated northward, and family members of those who have defected to South Korea. In the past, restraints on the impure class were strict. Recently, however, they have improved greatly. There are many who believe, 'Two or three generations have passed, what crimes have they committed?'"

Life Within Restricted Areas

[Cho] Are there that many core class members?

[Choe] "Having said that 'The cadre line is one which wins over the masses,' Kim Il-song stated that the leadership capacity of the core classes needs to be strengthened. The sphere of the core class became expanded by taking the original members and adding on to them their relatives to include uncles and cousins."

[Cho] Does the core class receive preferential treatment socially?

[Choe] "Opportunities for promotion are opened to all members of the core class if they are capable. They can go to college and even receive doctoral degrees. However, it is not absolutely necessary to be a member of the core class in order to become a party member. Even a member of the impure class, if they do well, can enter the party."

Human rights violations, beyond that seen in class or regional discrimination, is more serious in the restricted areas. Once one has entered one of these restricted areas, also known as "areas of dictatorship" [tokjae taesang kuyok], then their existence can no longer be confirmed.

These restricted areas are primarily concentrated in the northern mountainous regions of the country. There are two types of these areas. The closed detention camp is a place that once you go in, you can never come out. The second is a detention camp that, once rehabilitated, you can leave.

[Choe] "Once there was an incident where a female who had been working at the SSD one morning suddenly disappeared. I tried to determine where she had gone to, and I found out that she had gone to one of the closed detention camps located in Yodok, North Hamgyong Province. With the assistance of someone she knew, she was relocated to a detention camp from where it was possible to be released. Three years later, she came out.

"According to what this woman said, detainees at the closed detention camp are provided with seeds and told to grow their own food to eat. She said she had extreme difficulties, never having farmed before. Several people shared one ox. There was no hospital, and absolutely no way of guaranteeing livelihood, she said."

Choe believes that his wife and three children have already been dragged off to a restricted area, owing to the fact that he was a cadre with a good understanding of events within the WPK, not just an everyday person.

With the exception of the day he faced reporters upon his arrival in Seoul at Kimpo Airport, Choe has not revealed himself publicly in consideration of the family he left behind in North Korea. That is to prevent further injury to his family, and is the greatest consideration he can give to them both as a husband and father. He does not even want his picture taken or his name revealed, feeling that the time is not yet right to do so.

[Cho] Listening to the tape which producer Sin Sang-ok made during his talk with Kim Chong-il, one gets the impression that Kim Chong-il is a person who is well aware of the problems of North Korean society and the socialist system. Sometimes I feel really troubled by the fact that, on the other hand, I am wrong in feeling this way. Should we not avoid viewing Kim Chong-il as only a conservative force, and rather as a person who is positive towards reform and opening of the country?

[Choe] "That is true. That is the level at which Kim Chong-il must be understood. You can see that just from looking at his clothes. Although Kim wears people's clothes [inmin-pok] during official functions, normally he walks around in a jumper. It seems as though he came to prefer South Korean clothes while watching South Korean television broadcasts. He also orders high-heeled shoes from overseas because of his short height."

[Cho] What types of people in North Korea are allowed to watch South Korean television?

[Choe] "People who work in Kim Chong-il's office as well as the main offices, the propaganda and agitation department, and the organization guidance departments of the central party are. They are a very limited number of individuals. These are people who can in no way be influenced by South Korean television, and who tell absolutely no one about what they have seen."

Kim Chong-il's Parties: A Psychological Analysis

[Cho] Reading Sin Sang-ok's book, it is said that Kim Chong-il sings South Korean popular songs quite well at his parties. How should we interpret this psychologically?

[Choe] "Kim Chong-il sings songs such as 'Hasuksaeng' [Boarding Student], 'Silla-ui talbam' [Moonlit Night of Silla], and 'Tongpaek agasi' [Camellia Girl] quite well. However, his singing those songs is only out of interest or pleasure; they should not be interpreted ideologically.

Even I often sang 'Salang-ui paesinja' [Betrayer of Love]. One is not qualified to attend these parties if unable to sing and dance. However, the people who attend these parties are the highest class in North Korea, well above the scope of normal laws."

[Cho] Is it not something that the lower classes cannot even think about doing this?

[Choe] "Far from singing such songs, it is impossible for them to even imagine that such singing takes place."

[Cho] Does not Kim Chong-il feel any pangs of conscience as he sings these songs?

[Choe] "Not at all. He believes that he understands all issues concerning culture and the arts, being active in these fields. No matter what those in the South may insist to the contrary, Kim expresses his feeling of superiority, stating, 'Do not make me laugh. Being in the state you are in, what are you trying to tell us?'

"Behind his feeling of superiority is a craving to flaunt that he is the absolute greatest. He flaunts this absolute power by showing that not only does he do as he pleases with things which are his responsibility, but he does the same with things outside his responsibility."

[Cho] Evaluate Kim Chong-il the human.

[Choe] "He is short, but stout. In some aspects he is ruthless, but he also has a warm-hearted side. It is confusing to try to analyze his mental world, however. He cherishes his younger sister Kim Kyong-hui very much, but extremely despises his half-brothers Song-il and Pyong-il. There may very well be problems within the family following Kim Il-song's death.

"Kim Chong-il is very unstable emotionally. There are many instances when he will be talking about one thing, and then suddenly start talking about something different, making it impossible to understand what he is talking about. He gives the feeling of being scatterbrained and disorganized.

"Although his mind is okay, it does not appear as though he studied much. There must be a strict teacher-student relationship in order for good education; could their possibly be someone able to properly teach the son of Kim Il-song?"

Since the 1970's, Kim Chong-il began to prepare all-out to become his father's successor. As such, his relationships with those surrounding him became rigid. Meetings between him and Choe also became infrequent. Choe notes that Kim Il-song has taken a considerable amount of time preparing to hand over power to Kim Chong-il. That process was systematically carried out in several phases, Choe explains.

The first phase was the period starting with Kim Chong-il's graduation from college though his position as responsible director of the Propaganda Department of the WPK Central Committee until he became vice director of the department. Kim Il-song gave him limited freedom so that Kim Chong-il could meet with people of all classes.

The next stage involved Kim Chong-il devoting all his energy to motion picture arts projects. It was a period in which he grew significantly, producing such projects as "Kkot panun chonyo" [Flower Girl]. A series of selection processes was completed during this period, in which efforts were taken to distinguish between those whom Kim Chong-il would and would not be able to control following Kim Il-song's resignation.

Knowing Events in South Korea Through the "Secret Communications" Report

The selection process was complete by the opening of the 6th WPK Congress in 1980. By then, any people whom Kim Chong-il was unable to control were completely isolated. In particular, tasks were divided and a clear line drawn between the elder forces, to include O Chin-u, and Kim Chong-il.

[Cho] It appears as though Kim Il-song believes that although it may be true that South Koreans do live well, it really does not matter. What is the basis for such thoughts?

[Choe] "Kim Il-song believes that South Korea is a colony of both the United States and Japan. Even if South Korea does possess technology, that is only dependent technology, not technology obtained through nationalist development. When it comes to foreign debts, Kim insists that North Korea, if it desired to, could borrow as much money as it likes as well. However, when I finally arrived in South Korea and saw for myself, I felt that Kim's claims were erroneous."

[Cho] When serious demonstrations break out in South Korea, do those in North Korea feel that the South Korean Government will collapse?

[Choe] "There is probably no one in North Korea who thinks like that now. During the Kwangju incident things were a bit different. Japan's NHK continually broadcast the Kwangju incident. At the time, we thought that everyone there was being killed. There were some who, watching television, felt that we could not simply sit back and watch this and instead must charge on down. If the Kwangju incident had dragged out just a little bit more, then it was possible that the problem could have become a bit more complicated.

"However, no matter how chaotic the situation may have been, that was a different time and a different place. There is no one today who believes that the South Korean Government is on the verge of collapsing. Even as late as the mid-1970's, there were expectations that, with a good effort, the South Korean regime could be toppled. Now, however, because of the difference in economic power, no one feels like that.

"North Korea's elite or economic experts view South Korea's economic development as the result of President Pak Chong-hui's efforts. They view the Pak period as being very significant."

[Cho] On what basis did they arrive at that conclusion?

[Choe] "There is a publication in North Korea entitled 'Secret Communication'. Cadres who receive this know most of what is going on concerning South Korean politics. 'Secret Communication' carries South Korean broadcasts or newspaper articles without any doctoring.

"Those who receive and read 'Secret Communication' range from cadres who are subject to ratification by the Secretariat, down to unit responsible persons. Provincial party level responsible secretaries are known to receive this publication as well. It is delivered daily, and is turned back in after being read. The contents are primarily South Korean top news stories as well as international political issues."

Admirers of Pak Chong-hui Exist

[Cho] Do experts analyze the economic policies of the Pak Chong-hui era?

[Choe] "Of course, individually they interpret them as they like; however, no one dares talk about it in public. Even when I was in North Korea, there were some who individually liked President Pak Chong-hui. They even listened to his speeches."

[Cho] What points do they like about Pak?

[Choe] "First, they felt that Pak was a simple person, that he was straightforward and meticulous. Listening to his announcements on the South Korea-Japan talks or the Tokdo issue, his position was quite clear. There was a feeling that these positions stemmed from nationalist points.

"We even felt a sort of pride when Pak strongly criticized the United States at the time of the Chongwadae wiretapping incident. At the same time, however, he could not issue a totally hostile statement no matter how much he opposed the United States. Seeing that, we sympathized with his position as a president of a small power."

Choe noted that the number of people who are able to find out about South Korean events through either 'Secret Communication' or the radio total two to three percent of the total population. He did not feel firmly convinced that this small number of people with knowledge of other societies could possibly guide reform in North Korea. "I also have thought of this question often," Choe responded. "Even so, it is still difficult to answer. We must wait and see just a little bit more."

[Cho] How big is the Kim Il-song Longevity Research Institute which is said to exist in North Korea?

[Choe] "The Longevity Research Institute was built in accordance with the instructions of Kim Chong-il on the 60th birthday of Kim Il-song. Centered around the Ponghwa Medical Clinic, the entirety of the Red Cross Hospital is a research center. Actual practice is done entirely at the Red Cross Hospital under the guidance of the Ponghwa Medical Clinic.

"Those who are the same age or older than Kim Il-song, or have the same blood type or physical condition, regardless of whether they are healthy or sick, are subjects of practice. However, no physiological damage is inflicted upon them. Instead, long-term observation of how these patients react to dietary conditions or medication is conducted."

[Cho] According to those people who have claimed that Kim Il-song has villas, all the people working there are said to be women.

[Choe] "The number of Kim Il-song's villas is not limited to one or two. There are many which Kim has not even visited yet. Those who manage any one villa or number of villas are not in a position to talk about what all of Kim Il-song's villas are like.

"When I followed Kim Chong-il around for awhile during the 1960's, I often went to visit his villas. There were many pretty women selected from around the country there. There are some among them who have not yet slept with Kim Chong-il even once. There are simply that many villas and that many women. Kim Chong-il's younger sister Kyong-hui as well as Pyong-il have villas also."

Participation in Construction of the Yongbyon Atomic Power Plant

[Cho] Is there not anyone who mentions such waste?

[Choe] "Most citizens are aware of these non-productive expenditures. However, even if they harbor dissatisfaction, is there anyone who could express this satisfaction and make an issue out of it?

"This non-productive investment was an important cause of the economic predicament North Korea fell into in the latter half of the 1980s. The waste was caused by the political environment leading up to the transfer of power to Kim Chong-il.

"Kim Chong-il, Kim Yong-chu (Kim Il-song's brother), and Kim Pyong-il were all in competition. They went crazy trying to idolize Kim Il-song in order to display their loyalty to him. In the process of such competitive idolization, excessive funds were expended.

"Formally, the Supreme People's Assembly [SPA] is the highest sovereign organization in North Korea. In reality, even if they set a budget, Kim Chong-il will demand unreasonable expenses for constructing such projects as villas, chuche ideology towers, or the Arch of Triumph. Cases where unplanned expenses come about are frequent. Although there are times when experts spin around in circles, pointing out these expenses, there is no one who can act as a restraining force."

[Cho] It is said that you participated in the construction of the Yongbyon nuclear facilities when you were in Korea. . . .

[Choe] "Beginning in 1983, I worked as the vice president of the supply company of the 3d engineering bureau, MPS. Soldiers of the 3d engineering bureau were mobilized in projects such as the construction of the Yongbyon nuclear facilities, the Taechon Hydroelectric Plant embankment project, the construction of double-track rail line between Pyongyang and Nampo, and development projects in the Anju coal mine in South Pyongan Province. I was responsible for supplying materials necessary for those projects.

"Since there were several types of construction projects going on at once, there was one area which was specially managed called 'presidential reserve materials.' This was designed for the proper execution of major construction goals of the party or state. These 'presidential reserve materials' were used in the construction of the Yongbyon (research) atomic power generator. At the time, regular cement was not used: cement was specially produced at Mt. Purye."

[Cho] Is Mt. Purye cement special?

[Choe] "Cement produced in the Mt. Purye region of Chagang Province has waterproof characteristics superior to strengthened concrete."

Choe provided very important testimony on a vital point. The 30,000 kwt research reactor at the Yongbyon nuclear research facility has been in operation since its completion in 1983. A large-sized, 200,000 kwt (estimated) reactor and a longish building presumed to be a reprocessing facility are currently under construction.

The United States, having analyzed intelligence satellite photography, firmly believes that this long building is a reprocessing facility which extracts plutonium, the fuel for atomic bombs, from the spent nuclear fuel emitted from the research reactor. This facility has become the object of international attention as the United States, while calling for North Korea to accede to inspection of its nuclear facilities, has advocated the dismantling of the reprocessing facility. Of course, North Korea is not admitting that this building is a nuclear reprocessing facility.

Is An Experimental Nuclear Reprocessing Facility Operational?

From 1983 to 1987, Choe was the person in charge (he was the vice president at a time when the position of president was vacant) of the MPS supply office, which was a construction office for the Yongbyon nuclear facility. During that time, he states, he "knew that a reprocessing facility was under construction."

"I even visited the Yongbyon nuclear facility construction site once in 1983. Of course, there was no documentary confirmation with the words reprocessing facility written on it. At the upper levels, however, we at least knew that a nuclear reprocessing facility was under construction. That was because we needed to know what type of construction it was in order to supply the proper materials.

"From what I recall, at that stage a small-scale experimental reprocessing facility had stopped operations and a full-scale reprocessing facility was under construction. People claimed that the small-scale facility was not operating; however, my feelings were that it was already operational and may have been producing some plutonium."

Choe also noted, "The MPS supplied only the building materials such as cement and reinforced concrete. North Korea's Atomic Energy Commission imported the internal facilities from communist bloc countries through the defense products procurement agency." Choe added, "The fact that an atomic bomb would come out of the Yongbyon nuclear facility was almost an open secret. However, preparations were also made to allow for conversion to a power generating facility should North Korea be unable to further refuse nuclear inspection."

[Cho] Are you sure that the term "reprocessing facility" was not something you heard after coming to South Korea, which stimulated your memory to think.

[Choe] "Ah, that was a reprocessing facility!"?

"A reprocessing facility which extracts plutonium is a necessary facility for the manufacture of atomic bombs. Why would I not know that? It was simply that officials at the time did not call it an 'atomic bomb' but rather a 'decisive weapon.' I definitely began to hear the word 'nuclear reprocessing facility' from 1983."

[Cho] Who was responsible for security at the Yongbyon facility?

[Choe] "The MPS."

[Cho] How were you able to go to such a top-secret facility?

[Choe] "After I took my position as person in charge of materials, I went there one time in order to consult over issues of material supply. Of course, I was unable to go into major facilities such as the research center, conducting talks only in an office before returning."

Experts are arriving at conflicting conclusions over the 200,000 kwt reactor North Korea is constructing at Yongbyon. Since the 200,000 kwt reactor is too big for nuclear weapons development, and since the 30,000 kwt nuclear reactor is already operational as a research reactor for nuclear weapons development, one analysis is that the 200,000 kwt reactor is an atomic bomb mass production system. This conflicts with the other analysis that the reactor is for generating power.

According to what Choe says, the 200,000 kwt research reactor was planned so that, depending on the situation, it could be used either for producing nuclear weapons or for generating power. He notes, "There are underground facilities built at the Yongbyon nuclear facility."

South Korean intelligence agencies are expressing their concerns over the possibility there is already a small-scale reprocessing facility located underground, and that a small amount of plutonium has been separated at this facility. Choe stated he "did not know" anything concerning the nature of these underground facilities.

Choe also noted, "MPS personnel (active duty soldiers) who were provided to the Yongbyon nuclear facility construction project are made to work in the facility when discharged for the sake of security. This is so that information on the facility does not leak to the outside."

Secret Nuclear Development May Be Attempted

Choe noted that North Korea embarked on their nuclear weapons development program around 1980, and that President Pak's attempt at developing nuclear weapons during the 1970's was an important impetus for this program.

In that Choe's direct testimony here is that of a person who participated in the construction of North Korea's nuclear facilities, it carries an important and different significance from the intelligence collection done by man-made satellites.

[Cho] Does the recent acceptance of nuclear inspection by North Korea signify that they are abandoning their intentions to develop nuclear weapons?

[Choe] "Although acceptance of inspection can be interpreted as change deriving from a feeling that they must break out from their international isolation, is it not also true that they can continue with their nuclear development separately in a secret facility even while undergoing nuclear inspection? It thus can also be viewed as a game of trying to buy time in order to prepare for such secret nuclear development."

[Cho] There are worries that North Korea, reaching a dead end, might resort to military force?

[Choe] "Although just a personal opinion, I can firmly assert that this will not happen. North Korea of course possesses the capability to conduct an armed provocation. However considering both their domestic and international situation, I know that an armed provocation is impossible.

"Even with the social uproar stemming from the Kang Kun-tae incident, there is no North Korean politician who believes that South Korean society will collapse. Likewise, North Korea will not collapse that easily either."

[Cho] Is not the core classes' desire to protect their vested interests one of the main reasons for that?

[Choe] "Of course members of the core class feel that if the present system collapses, they will die. When I was in Korea I also was struck by that thought. I thought that my own position would become difficult should North Korea's system suddenly collapse and unification occur under the direction of the South.

"No matter what I thought and how I lived, I worked at the MPS and was a member of the highest stratum of the WPK. Because of this, I believed that I would be unable to avoid criticism as "a bastard who held a position under the communist regime."

[Cho] Is there discord between classes in North Korean society?

[Choe] "There is much discord resulting from the authoritative administration within North Korea's social structure. Although each person is different, there are feelings of hatred and opposition among the people. However, there is no torture committed by government organizations."

[Cho] Is government rule possible in North Korea because of some degree of respect the citizens have for Kim Il-song?

[Choe] "Regardless of the means he uses, I feel that it is quite an impressive accomplishment that Kim Il-song has been able to silence the mouths of the North Korean people, people who usually have much to say. Kim Il-song was able to create such an environment by utilizing the strong attachment North Korean people have concerning 'self-reliant consciousness.'

"Even among orientals, the pride of the Korean people is extraordinary. Feelings centered on the family, village, or region are strong. Kim used this psychology in his politics in creating 'chuche.' Kim Il-song skillfully uses the nationalist self-reliant consciousness of the Korean people in his own idolization.

"A more delicate subject is the disparity between actions and proclamations. Even while emphasizing self-reliant consciousness, Kim is the first to go riding around in a foreign-made automobile."

Reform Starting From the Economic Sector to the Military

[Cho] How do the people react to this contradiction?

[Choe] "The people are educated to regard the fact that cars as well as televisions or refrigerators must be purchased with foreign currency as a separate issue from chuche.

"However, there is no one in North Korea who would say Kim Il-song is bad. Through his anti-Japanese activities, the nation was saved, and through land reform a state centered around the people was established. He established a party which directs the state, and led the country to victory in a war with the United States. He remodeled socialism, and a taxation system and social welfare system were completely realized under him. All of this was said to be done by Kim Il-song, so who would dare to call him bad?

"When North Korean citizens see Kim Il-song's face, they shed tears and call out for his long life. This all is the result of such lunatic propaganda."

[Cho] There is also a "chuche ideology faction" within South Korea. Do you believe that they are directly linked with North Korea?

[Choe] "Although I have not had the experience of meeting those people directly, I believe that it is unreasonable to think of these young students as communists based solely on their expression of how they think and feel. All this accomplishes is to create enemies within the society.

"Are there not numerous social evils such as an unequal distribution of wealth even in South Korea? It is only natural that forces would emerge expressing their displeasure with such evils. Although there is a group among the students who support North Korea's position, I believe that they are distanced from the absolute majority. You cannot take a South Korean student and make them into an absolutely genuine communist."

Choe does not even think of Kim Il-song as a genuine communist. Even in the past, Choe states, he did not believe that Kim was a genuine communist. Choe of course recognizes that Kim Il-song reflected in his policies over the past 40 years those things which Marxist-Leninism requires. Looking back on Kim Il-song's personality cult, however, Choe states that he has come to the conclusion that now not even one part of the cult amounts to anything more than falsehoods.

[Cho] Given the current situation, although it is impossible that North Korean citizens would be skeptical of Kim Il-song, won't things change once Kim Chong-il steps into power?

[Choe] "Things will not be the same as they are now."

[Cho] When Kim Chong-il takes power, he cannot help but mobilize the technocrats to improve the lives of the people in order to strengthen his own position. Eventually, reform and opening will be unavoidable. When that happens, will he downgrade his father in the same manner as the downgrading of Stalin which took place in the Soviet Union?

[Choe] "There is absolutely no way that there could be a movement to downgrade Kim to the same degree. However, even if it is impossible to completely ignore Kim Il-song after his death, I believe it will become possible to criticize him. As for downgrading—that is, the question 'How much and in what areas will Kim Chong-il be able to criticize Kim Il-song?'—this will be one of the central factors in predicting the future of North Korean politics and the fate of Kim Chong-il

"It may be possible that he will be able to criticize his father to the same degree that Deng Xiaoping was able to criticize Mao Zedong. By stating, 'My father was wrong in his completely closed and conservative tendencies,' the door that has been tightly closed will open, and Kim Chong-il would become an immediate hero."

[Cho] So you believe that if Kim Chong-il does well, he can carry on the successor system with no particular difficulties?

[Choe] "The possibilities are great that it will be difficult. The mentality of exercising power under Kim Il-song is deeply entrenched in the minds of North Korean politicians. Moreover, Kim Chong-il's administrative skills, leadership methods, and power of command are still limited.

If the Military Turns Its Back, All Is Over

[Cho] Is there anyone within the military with a different opinion about Kim Chong-il?

[Choe] "There are a considerable number. However, Kim Il-song has already isolated them, and in the end only forces who will obey Kim Chong-il will remain. As long as Kim Il-song does not die suddenly, it seems as though the hereditary system will gel perfectly. However, as time passes, will not the limits of this system emerge?"

[Cho] If so, where do you believe the opposition will begin from?

[Choe] "My belief is that it may start within the economic sector and then spread to the middle ranks of the military, eventually spreading to the upper ranks. Once the military turns its back on Kim Chong-il, it is all over. That is one of the similarities between North and South Korean societies."

Choe noted that a military coup d'etat would be difficult due to the thorough mutual surveillance system of North Korean power organizations such as the Ministry of People's Armed Forces [MPAF], the State Security Department [SSD] (equivalent to South Korea's Agency for National Security Planning), and the MPS (equivalent to South Korea's police). A resident MPS office is located within the SSD, reporting back to the MPS. Within the MPS, there is a SSD office. The two agencies watch each other in this manner, Choe noted.

Surveillance of the MPAF is even more thorough. The general political bureau of the MPAF watches over the military and receives its orders directly from the WPK organization department. Kim Chong-il serves concurrently as the head of the WPK's organization department as well as propaganda and agitation department. As such, he is able to watch over the military through the organization department. Party responsible guidance personnel are also dispatched from the organization department to the MPAF. The responsible guidance person dispatches guidance personnel to every level of organization by unit. They maintain surveillance of military cadre separately from the surveillance conducted by the general political bureau.

Within the general political bureau of the MPAF, there is an organization called the information section [tongbo-pu] which reports directly to the WPK organization department while bypassing the party responsible guidance person. The organization department compares the reports of the information section with those of the party responsible guidance person. Reports on trends by these surveillance organizations concerning military cadre at the rank of colonel and above who are subject to ratification by the party secretariat go up daily to the central party organization department.

[Cho] Did you have doubts about Kim Il-song even while you were in North Korea?

[Choe] "Even while in North Korea I had strong feelings of skepticism. My mother did not particularly like Kim Il-song. However, one comes to praise Kim Il-song, even if only outwardly, since it was impossible to live in that society without doing so."

[Cho] However, isn't it true that at the moment one sees Kim Il-song, one fervently praises him?

[Choe] "It is impossible not to do so at that moment. Not only is it ingrained in everyone's subconsciousness that one must cheer so as not to offend Kim Il-song, but everyone begins to watch everyone else because of the competition with one's comrades. Most people harbor doubts concerning Kim Il-song; however, knowing no other way out, they have no choice but to submissively acquiesce to his leadership in their day-to-day life."

[Cho] If so, doesn't the absolute obedience shown for Kim Il-song at this point stem from a basic paranoia of violent force?

[Choe] "I do not really think that it is respect which stems from deep within one's heart. However, because they know no better and blindly follow Kim, at the lower stratum of society the respect for Kim may actually be genuine. The higher up in society you go, on the other hand, the less blindly obedient fanatic believers there are. In other words, there is much hypocrisy among the upper classes. Those people who actually shout out for long life when Kim Il-song or Kim Chong-il stand in front of them also know that those feelings do not come from the bottom of their hearts. The two Kims can prevail, however, since they both are aware of this point."

[Cho] Do you believe that these people who harbor different feelings within themselves can turn their back on Kim Il-song and his son if the situation becomes disadvantageous to them?

[Choe] "Since it is impossible to know for certain what direction North- South unification would lead to, it would be difficult for them to do so. It is therefore important to build a consensus with these people and attempt to embrace them. If you push them too hard, then you will wind up losing them like a bird which was held in the hand."

[Cho] How can contact be made with these people?

[Choe] "A secret avenue must be opened and support provided. When meeting a North Korean overseas, it is difficult to approach them since they try not to let you get near them. Even so, you must progress by gradually expanding the sphere of contact through constant efforts in even the most minute areas."

Choe stated, "A pipeline must be opened to the military. It is the military who will play the decisive role during the turning point following Kim Il-song's death. Only by doing so can South Korea exert its influence during that period of confusion."

[Cho] There is also the method of providing economic assistance to North Korea.

[Choe] "The North probably would not accept it. North Korea has insisted that it is the greatest in all fields of politics, economics, and culture. If they accept economic aid, all of those claims will collapse.

"You must begin with areas with small amounts of influence. Barter trade which allows North Korea to save face is a good method with which to begin. North Korea possesses numerous resources which can be used for trading as primary products."

With Choe's defection, the inside story of North Korea's efforts to obtain foreign currency as well as facts concerning the MPS have been revealed in detail. Since 1971, under the leadership of the WPK, North Korea has been conducting projects to raise foreign currency at every level including factories, complexes, schools, and military units, with each level having its own allocated target.

Control Over the People Is Gradually Weakening

There are over 150 trading companies which have been established for the purpose of earning foreign currency. Even the MPAF, WPK, and MPS all directly manage subordinate trading companies. Within each corps, there is one battalion (around 1,000 people) formed into a "soldiers' shock brigade to earn foreign currency." These shock brigades are mobilized to conduct operations to earn foreign currency. After school, students are busy raising foreign currency through junk collecting and rabbit breeding.

Choe himself was the president of the Taeyang Trade Company. This company was an overseas business directly managed by the cadre department of the WPK Central Committee. As such, it was controlled by Kim Il-san, the vice chairman of the cadre department.

This company procured foreign currency needed for the operation of the National Economy Institute, an institute for training factory heads and managers; the Higher

Party School, used for training party cadre; and the College of International Relations, where diplomats and trade managers are educated. The company was established to raise 2 million dollars for construction capital to build the Economic Center (a type of trade promotion company), which was established for the July 1989 Pyongyang Festival.

Choe departed for Zaire, Africa in February 1988 on business to promote cobalt transactions. He failed in this, and also made no progress in another activity directed by Vice Chairman Kim Il-san to obtain counterfeit U.S. currency (500,000 dollars worth). Fearing punishment upon his return to North Korea, according to Choe, he defected to South Korea.

North Korea's overseas trade companies operate under strict bureaucratic control. As such, they are unable to adapt quickly to market mechanisms and subsequently do not reap great results in earning foreign currency. They are often exposed in their efforts at smuggling to earn dollars.

The structure of the MPS as revealed by Choe is unexpectedly massive. There are 30,000 people responsible for law and order and investigation, 50,000 engineers, and an additional 50,000 soldiers which were resubordinated to the MPS engineering department from the MPAF in March 1987. Thus the total manpower of the MPS is said to be 130,000.

The minister of public security is General Paek Hak-nim (age 74). Direct control is said to lay in the MPS political department which is directly controlled by the WPK Central Committee. In addition to police work and surveillance of ordinary citizens, the MPS is also given the task of carrying out secret projects such as construction of Kim Il-song's and Kim Chong-il's villas, major intelligence organizations' buildings, and nuclear facilities.

Choe noted, "With the MPS being a subordinate agency which is totally controlled by the WPK, the authority of the minister of public security is about the level of a central party department head." He also notes, "No matter how closed a society North Korea may be, everything worth knowing becomes known," stating that the control that is exercised over the people is gradually weakening.

In the past, for example, if complaints or dissatisfaction with living standards was expressed even in private, you became a target of criticism. Now, unless it is slander against Kim Il-song or his son, there is almost no punishment or criticism for making such remarks. Choe also noted, "Although the scale of corruption in South Korea is large, the sphere of corruption in North Korea is more serious."

Choe states that although he was in North Korea at the time, he was unaware of the commotion surrounding the Kim Il-song death rumor in November 1986. "Even in the north, they probably were unable to condemn South Korea openly concerning this issue since no one is allowed to express any linkage between Kim Il-song and death."

While stating that he had to come to South Korea before he was able to hear of this incident, he said that there was absolutely no possibility that North Korea would wage psychological warfare using the topic of Kim Il-song's death.

Government To Reserve Comments on USSR

SK1908141791 Seoul YONHAP in English 1403 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—The South Korean Government decided Monday to reserve both official and unofficial comments on the Soviet situation in light of Moscow's proclamation that it would keep up reforms and respect international commitments assumed by it under existing treaties and agreements, official sources said.

Upon being briefed by Foreign Minister Yi Sang-ok and other aides on the ouster of Soviet President Mikhail Gorbachev, the sources said, President No Tae-u stressed the need to maintain close consultations with allies in reacting to the Soviet situation.

The Foreign Ministry set up a task force headed by the director of its European Affairs Bureau to keep eyes on the development of the Soviet situation and step up working-level contacts with the Soviet Embassy in Seoul, it was said.

The government will discuss measures to cope with the situation with the United States, Japan, Britain, Germany and France through diplomatic channels, they said.

Depending on the development of situation in Moscow, the South Korean Government may review comprehensively its northern policy and economic cooperation with the Soviet Union.

"We don't expect the situtation will have a critical impact on the overall Korea-Soviet relations," a Foreign Ministry official said.

Government Cautious on Releasing Loans to Soviets

SK2008010491 Seoul YONHAP in English 0043 GMT 20 Aug 91

[Text] Seoul, Aug. 20 (YONHAP)—The South Korean Government has no intention of withholding a promised 3 billion U.S. dollars in economic aid for the Soviet Union despite the ouster of President Mikhail Gorbachev, but it will be very cautious about giving out the money, Finance Ministry officials said Tuesday.

"We've yet to get detailed information about what's going on in the Soviet Union. It is hard to tell under the current circumstances how we'll act on the aid package, but it is certain we will not back out and the Soviets will not refuse to repay," a senior official said.

Seoul promised the sizeable aid package for Soviet reform efforts a few months after normalizing bilateral relations in September last year. It comprises 1 billion dollars of bank loans, 1.5 billion dollars of tied loans for consumer goods and 500 million dollars for deferred-payment plant exports.

The first installment of the bank loans, 500 million dollars, was issued on May 17. It is to be repaid over five years after a three- year grace period, and the Soviets will start paying interest on Nov. 17. Another 500 million dollars will be offered in the second half of the year.

Negotiations over the terms of repayment stalled recently as the Soviets requested a lower rate than the London interbank offered rate (LIBOR) plus 1.25 percent and the Koreans refused.

Ministry officials said they could not predict when the Soviets would try to reopen the negotiations.

"What is certain is that we will be more prudent," one of them said.

As for the 1.5 billion dollars of tied loans, the Soviets sent a payment guarantee to the Export-Import Bank of Korea Aug. 7. Money will be released only after a Korean exporter and Soviet importer sign a contract and the Soviet importer files a request for a loan with the Soviet external economic bank.

The officials said there would be no problem getting repaid as the Soviet external economic bank is the debtor and the Soviet government guaranteed repayment.

"The Soviet Union is introducing loans from 13 countries in the West. We don't think the Soviets will delay repayment. They must know that once they lose the trust of their creditors, they will have difficulties procuring funds for their economic development," an official said.

Seoul-Moscow economic relations have expanded rapidly since the two former adversaries normalized ties on Sept. 30, 1990.

They have signed accords on trade, scientific technologies, investment protection, avoidance of double taxation and aviation and were to inaugurate a fisheries accord by the end of August and a maritime accord within the year.

Korea-Soviet trade amounted to 889 million dollars last year, up 48.2 percent from 1989, and 523 million dollars in the first half, up 42.7 percent from a year earlier.

Educational Memorandum Signed With Moscow 19 Aug

SK1908115691 Seoul YONHAP in English 1037 GMT 19 Aug 91

[Text] Moscow, Aug. 19 (YONHAP)—Education ministers of South Korea and the Soviet Union signed here a memorandum of understanding on educational and academic exchanges in Moscow on Monday.

The signing ceremony was held a few hours after Soviet President Mikhail Gorbachev was announced to have resigned from office for health reasons.

A visiting South Korean Education Ministry official said the document would strengthen bilateral cooperation in exchanges of professors, students and academic information.

It calls for an exchange of 10 textbook experts next year to improve understanding of life and culture.

The two nations, which established diplomatic relations in September last year, agreed to exchange linguists for 4-6 weeks in 1993 and 1994, and help education experts to share and study information on curricula and education data in 1992-1994.

Korea will help the Soviet Union introduce Sovietology to Korean universities, the Soviet Union will begin Koreanology and the two nations will exchange scholarship students.

Korean Education Minister Yun Hyong-sop signed the pact and will attend the opening of a Korean educational center in the Kazakh capital of Alma Ata on Aug. 22.

NDP Expresses 'Shock' at Gorbachev Removal

SK1908134691 Seoul YONHAP in English 1023 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—South Korea's major opposition party expressed shock at the reported ouster of Mikhail Gorbachev from the Soviet presidency and called it a "deplorable challenge to democracy and world peace."

In a statement issued by Rep. Pak Sang-chon, spokesman for the New Democratic Party [NDP], the NDP said, "This is indeed shocking. If Gorbachev's leadership was marred by a military coup d'etat as the wire reports say, this is a deplorable challenge to democracy and world peace.

"If President Gorbachev who had greatly contributed to ending the cold war and promoting world peace has fallen, possibilities are that an era of confrontation and enmity will return. We, along with all democratic citizens of the world, closely watch the Soviet situation with concern. And we urge the government to be fully prepared for what will follow."

The statement said the NDP sincerely prayed for the safety of Gorbachev.

NDP Calls for Suspension of Aid to USSR

SK1908140491 Seoul YONHAP in English 1316 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—South Korea's main opposition New Democratic Party [NDP] on Monday called on the government to reconsider extending 3 billion dollars of economic aid to the Soviet Union until its political situation settled down.

Cho Se-hyong, chairman of the NDP Policy Committee, said in a statement that the government should consider retrieving 500 million dollars of cash aid extended to the Soviet Union in May and suspend providing 800 million dollars in tied loan for the Soviet Union.

He said the 3 billion-dollar economic aid plan should be completely reviewed considering that it was to be offered to the Soviet External Economic Bank under payment guarantees of the Soviet Government.

Democrats Concerned About Political Situation

SK1908134091 Seoul YONHAP in English 0820 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—The splinter Democratic Party said Monday it was concerned that the replacement of Soviet President Mikhail Gorbachev might throw a wet blanket on East-West harmony and affect the political situation on and around the Korean peninsula.

Those people who orchestrated the coup in Moscow should not upset the mainstream of peaceful co-existence and arms reductions or take the Soviet Union back to hegemonism, party vice spokesman Kim Pu-kyum said.

He called on the government to do everything it could to ensure the safety of Korean officials and businessmen in the Soviet Union and to exert diplomatic efforts to prevent the incident from affecting Seoul-Moscow relations and the political situation around the Korean peninsula.

Moscow's 'Korea Week' May Be Rescheduled

SK1908135991 Seoul YONHAP in English 1255 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—The South Korean Culture Ministry had an emergency meeting Monday afternoon to discuss whether to postpone a "Korea Week" festival in the Soviet Union scheduled for Sept. 30 to commemorate the first anniversary of the diplomatic tie-up between Seoul and Moscow.

The meeting was called on the heels of a Soviet announcement that President Mikhail Gorbachev resigned from his office for reasons of health.

A ministry official said the ministry would make a proper decision after closely watching the development in the Soviet Union and did not rule out the possibility that the schedule might be redrawn due to the internal situation of the Soviet Union.

But he reminded that a contemporary art exhibition was held in Seoul in July as scheduled to commemorate Korea-Yugoslavia diplomatic relations despite tension between the federal government and the secessionist republics in the East European country.

Korea and the Soviet Union established diplomatic relations on Sept. 30, 1990.

The ministry said that a team of 43 Korean dancers are now touring Moscow, Leningrad and Tashkent and they would stay in the Soviet Union through the end of the month.

Gorbachev Removal Feared To Affect Exports

SK1908135591 Seoul YONHAP in English 1026 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—Soviet President Mikhail Gorbachev's ouster is feared to affect South Korean investment projects in and exports to the Soviet Union.

The Soviet share of South Korea's overall trade is not significant, but business officials worry the consequences might spread to Eastern Europe, one of Korea's fastest-growing market.

The Trade and Industry Ministry and business officials fear blows may be ahead in the shipments of consumer goods and raw materials on 1.5 billion-U.S.-dollar tied loans to begin later this month as well as a slump in other forms of trade.

Export projects reported to the ministry as of Monday cover 24 items manufactured by 18 firms in value of 309 million dollars. Export and import contracts were concluded between Soviet importers and 10 Korean firms for 19 projects in value of 84 million dollars.

Samsung Co. filed for 63 million dollars in 10 items, followed by Lucky-Goldstar International Corp. for 53 million dollars in 10 items, Hyundai Corp. for 38 million dollars in 11 items, Kolon International Corp. for 28 million dollars in three items and Daewoo Corp. for 32 million dollars in 11 items.

Korea-Soviet trade entered full swing in 1989 when Korea exported 208 million dollars worth and imported 392 million dollars worth. Exports rose to 519 million dollars and imports slid to 370 million dollars last year. Trade volume amounted to 523 million dollars in the first half of the year (exports at 214 million dollars and imports at 309 million dollars), up 42.7 percent from the same period last year.

The Soviet Union comprised 14 percent of Korea's overall trade with former and current communist countries in the first half of the year and 9.7 percent of the aggregate investments in value in the bloc as of the end of June.

Economic Ties With USSR Temporarily Set Back

SK2008031591 Seoul YONHAP in English 0206 GMT 20 Aug 91

[Text] Seoul, Aug. 20 (YONHAP)—The removal of Soviet President Mikhail Gorbachev from office could have an adverse impact on efforts by South Korean construction companies to penetrate the Soviet market, Korean Government officials said Tuesday.

Gorbachev's ouster could derail an attempt to win construction orders from Moscow by capitalizing on the rapid improvement in relations between the two countries, they said.

Eight construction companies were negotiating 41 projects and Samwhan Corp. and Daewoo were about to sign contracts for three projects worth 200 million U.S. dollars, but the coup threatens to postpone the deals, they said.

Under negotiation are Samwhan's building of the Amur Hotel in Khabarovsk, a timber mill in Sakhalin and seven other facilities: Daewoo's construction of homes for returning servicemen in the Ukraine and Belorussia: and Hyundai's gas development in Siberia and six others.

A Construction Ministry official said economic ties were temporarily set back, but would be restored in the long run.

Korean Studies Institutes To Open in USSR

SK2008071991 Seoul YONHAP in English 0617 GMT 20 Aug 91

[Text] Moscow, Aug. 20 (YONHAP)—Since more than half the 440,000 ethnic Koreans in the Soviet Union cannot speak Korean, the South Korean Government was determined to remedy the situation by opening education centers in Tashkent and two other places.

Sounding a warning that traditional Korean cultures and mores were in danger, Korean Education Minister Yun Hyong-sop now on a visit here, said Tuesday his government will create Korean institutes of education for Koreans in Tashkent, Sakhalin and Khabarovsk, starting with one in Alma Ata Wednesday.

Each institute will have two Korean instructors dispatched from Seoul and a Korean studies section will be established in the embassy to handle the administration late this year or early next, he said.

According to a survey by the KORYO ILBO, a Korean-language newspaper in the Soviet Union, and the Association of Soviet Koreans, 49.1 percent of Soviet-Koreans recognize Korean as their mother tongue, 50.1 percent Russian and the rest the language of the Republic they live in.

This compares with 64 percent who regarded Korean as their mother tongue in 1970 and 56.1 percent in 1979.

Officials To Visit PRC To Learn About Zone

SK2008033591 Seoul YONHAP in English 0216 GMT 20 Aug 91

[Text] Seoul, Aug. 20 (YONHAP)—South Korea will send private specialists and working-level officials to a seminar on northeast Asian economic technology development Aug. 27-31 in Changchun, northeast China, to collect information on North Korea's proposed special economic zone.

The seminar sponsors, China's Asia-Pacific Institute, the East West Cultural Center of the United States and the U.N. Development Program (UNDP) have invited South and North Korea, China, the United States, Japan, the Soviet Union and Mongolia to attend.

High on the agenda are North Korea's Tuman River special economic zone, East Sea resources, marine science, the outlook for regional cooperation in northeast Asia and transportation in northeast China and the East Sea.

North Korea asked for South Korean business participation in the Tuman River project during a UNDP conference in Ulaanbaatar, Mongolia, last month.

South Korea decided not to make a government-level response or seek official contact with other countries due to the private nature of the event.

Seoul To Control Economic Delegations to China

SK2008033691 Seoul THE KOREA TIMES in English 20 Aug 91 p 8

[Text] The government will control the dispatch of missions by private enterprises and economic organizations to China because of an adverse impact on the development of diplomatic and trade relations between Seoul and Beijing.

These days, private business concerns and economic organizations are frequently sending missions to China in a bid to expand their economic and trade cooperation with Beijing.

However, the government is considering that they are rather impairing trade order between Korea and China and impending the development of bilateral diplomatic ties. The two countries do not have full diplomatic relations yet.

Against this backdrop, the government has recently called upon private enterprises and economic organizations to be considerate in sending missions to China.

In a directive sent to 17 private and government economic organizations including the Federation of Korean Industries, the Trade-Industry Ministry instructed them to do away with unnecessary delegations to China.

Former Intelligence Chief Hints at New Party

SK2008020291 Seoul THE KOREA TIMES in English 20 Aug 91 p 1

[Text] Chang Se-tong, former intelligence chief during the tenure of former president Chon Tu-hwan, hinted at the possibility of the formation of a new political party with Chon's loyalists.

In an interview with Hanguk Ilbo, sister paper of The Korea Times, he said the new party is greatly needed to prepare Korea for the leap into the 2000s.

The rise of the new "creative" party is not only necessary but is a natural result when thinking of the historical imperatives of building a society of affluence and achieving national reunification.

He said all political forces, regardless of political and ideological inclination, could join the party.

He said it is desirable for the new party to take part in the upcoming parliamentary election slated for early next year.

However, he denied that the party will have any connection with former president Chon.

Chang said he would "not take any leading role" in the creation of the new party and is only talking about the current situation from his general point of view.

Chang, who retired as an Army lieutenant general in 1984 and served as director of the powerful Agency for National Security Planning under Chon from 1985-87, made a name for himself by remaining totally loyal to the former president after his retirement to a secluded mountain temple.

As to the sour relationship between Chon and incumbent President No Tae-u, he said it is a matter to be settled between those two.

"It is not proper for others to intervene. However, one thing I want to say is that President No is responsible for the runaway witch hunt game against Chon. The present regime would not have been born had it not been for the fifth republic led by Chon."

Possible Formation of New Party Viewed

SK2008022291 Seoul THE KOREA TIMES in English 20 Aug 91 p 2

[From the "Press Pocket" Column]

[Text] Talks are abundant about the interview story of Chang Se-tong, top loyalist of disgraced former president Chon Tu-hwan, as to what it is all about if it is not a prelude to an intention of a political comeback of Chon's followers.

Ruling party floor leader Kim Chong-ho said the side of Yonhi- dong, where Chon is now living, may have its plan for the future.

But he doubted the likelihood of Chon's loyalists forming a new political party.

He said, "In reality, there is no serious move as you all see."

Another key member of the ruling Democratic Liberal Party said Chang only talked of the need for the rise of a new political party from the general point of view in connection with the historical needs of the times.

As he said he would not take the lead in the work of inaugurating the party, there is no reason for the party to give special meaning to what he said.

Another Chon's loyalist, lawyer Yi Yang-u said he had not heard of the creation of a "creative political party" from Chang. If he talked of a need, it was his own opinion which had nothing to do with chon, Yi said when asked to comment.

Some said Chang may have talked of inaugurating a new political party, being dissatisfied with the way the prosecution authorities were handling the Odaeyang case as if it had some connection with the Fifth Republic led by Chon.

Chongwadae (Presidential office) staffers yesterday expressed displeasure over the remarks of Chang Setong, former director of the Agency for National Security Planning, indicating the creation of a new "creative" party.

Some of them also revealed that his remarks to found such party is anachronistic, saying the former president Chon Tu-hwan will not be so foolish as to create such a party at this time when it is certain that it will not earn support from the people.

A presidential secretary said that most of the core members of the Chon's camp do not regard the creation of that kind of party as impossible because they are well aware of the negative attitude of the people.

Seoul Stock Market Plunges Following Ouster

SK2008005591 Seoul THE KOREA HERALD in English 20 Aug 91 p 6

[Text] The Seoul stock market took one of its deepest plunges ever yesterday following the ouster of Soviet President Mikhail Gorbachev, losing more than 29 points in a session described as a debacle.

Immediately after the market reopened for afternoon trading, investors, shocked by foreign news that the top post of the Soviet Union was taken over by Vice President Gennadiy Yanayev, went on a selling spree, sending the composite stock price index plunging 29.33 points or four percent of its value to 669.62.

The fall was the year's worst one-day drop, stockbrokers here said.

In the morning session, the local bourse showed signs of improving with the declining gap of the popular index narrowing from 6.62 points at the opening to 3.61 points at noon.

Yesterday's panic selling reflects uneasy prospects for the political and economic relations between Korea and the Soviet Union, which were otherwise poised for significant developments in the foreseeable future, analysts said.

Market watchers also said that President No Tae-u may have tied relations with Moscow too closely to his own personal rapport with Gorbachev, which might result in the collapse of the amicable relations between the two countries.

Korea's snowballing trade deficits and soaring market interest rates stemming from the government's squeezed monetary policy also accelerated the price erosion, they said.

Losers outnumbered gainers 754 to 28 with as many as 552 issues bottoming out at the lower limit of daily fluctuation.

Overseas construction, trading, and blue-chip manufacturing issues, which had been on the hefty rise riding on the nation's improving relations with socialist countries, led the tumble with most of them reaching daily lows.

Deficit Reported in Trade With Communist Nations

SK2008014791 Seoul YONHAP in English 0059 GMT 20 Aug 91

[Text] Seoul, Aug. 20 (YONHAP)—South Korea had a deficit of 188 million U.S. dollars in its trade with the former and current communist countries in the first half of the year, a private economic think tank reported Tuesday.

Lucky-Goldstar Economic Research Institute put two-way trade with the nations at 3.654 billion U.S. dollars in January-June, up 55.2 percent from the same period last year.

Exports were 1.733 billion dollars, up 46.9 percent, and imports 1.921 billion dollars, up 63.5 percent, for a deficit of 188 million dollars.

China accounted for 70 percent of the trade with exports to China of 1.06 billion dollars (including shipments via Hong Kong), up 54.1 percent, and imports of 1.484 billion dollars, up 63.2 percent, for a shortfall of 424 million dollars.

The jump in the deficit from 160 million dollars for all of last year was attributed to a surge in cement imports to meet the domestic shortage and in corn, raw cotton and other agricultural products.

Trade with the Soviet Union was discouraged by the economic risks, foreign currency shortages and delays in arranging tied loans. Exports were 214 million dollars, up 6.7 percent, imports 310 million dollars, up 86.1 percent, and the deficit 96 million dollars.

Trade with Eastern Europe was surplus with exports at 389 million dollars, up 53.1 percent, imports 103 million dollars, up 30.4 percent, and the excess 286 million dollars.

Lucky-Goldstar said it expected the surplus to be short-lived because of rising import controls on color televisions, videotape recorders and automobiles, and hard currency shortages.

Kim Tae-chung Refuses To Deal With No Tae-u

SK1708073291 Seoul YONHAP in English 0233 GMT 17 Aug 91

[Text] Seoul, Aug. 17 (YONHAP)—Opposition leader Kim Tae-chung said Saturday he remained opposed to replace the current presidential system of government with a parliamentary system of government and was not about to strike a secret deal with President No Tae-u.

"My party will, in any case, oppose a parliamentary government system. We will also stick to the small constituency system," the head of the New Democratic Party [NPD] told a news conference at party headquarters.

"Despite President No's affirmation, a parliamentary government system is being promoted both publicly and clandestinely. Signs are that a second 'yushin' is in store, capitalizing on the growing debate over reunification.

"President No should clear up the uncertainties in the political arena. He should take a clear attitude so that politics may operate on a clear schedule amid positive prospects for the future," Kim said.

Kim will accompany No on his trip to the United Nations late next month and political observers suspect some bargaining between them, particularly over the parliamentary system.

No has repeatedly said that "as long as the people oppose it" he will not seek to revise the constitution to replace the presidential government system with a parliamentary system, but observers say the ruling party has not given up on this idea yet.

Kim said there were many problems with the government-promoted large constituency system.

"It costs too much, fans a mushrooming of opposition parties, intensifies intra-party factional feuding and bars able newcomers. Our party wants to stick to the small constituency system with an improved proportional representation system. As in Germany, we hope lawmakers are elected in strict accordance with the rate of votes each party earns," he said.

As for the much-touted unification of the opposition camp, Kim said its aim should be "integrating all democratic forces that protest the grand alliance of conservative forces intent on keeping their vested rights."

Asking the Democratic Party [DP] to join his party in a merger before the National Assembly convenes its regular sitting next month, he made three suggestions on the leadership of the new opposition party.

He suggested it be headed jointly by representatives of the NDP and DP, operated by a group leadership of a president and an executive chairman, or operated by a group leadership comprising an executive chairman and chairman or chairmen.

"The Democratic Party's formula based on joint representatives has no precedent at home or abroad and is likely to cause confusion. In order to achieve opposition unity without fail, we are ready to positively consider the offer only if the joint representatives are legally ensured to represent the party," Kim said.

"We prefer group leadership consisting of a president and an executive chairman but we won't oppose group leadership comprising an executive chairman and chairman."

Kim said the NDP and DP could be merged on an equal footing and party leaders could be elected in a free competition.

He proposed the rates of sharing district chapter leaders and key post-holders be based on the votes and seats the two parties earned in the local elections in June.

Continued Loss of Competitiveness Reported

SK2008024091 Seoul THE KOREA TIMES in English 20 Aug 91 p 8

[Text] Domestic manufactured goods have continued to lose their competitiveness against foreign imports due to lowering of customs duties and abolition of defense surtaxes.

The Korea Foreign Trade Association [KFTA] said yesterday that wholesale prices of domestic industrial products rose 7.6 percent as of last April since 1988.

But the prices of imported goods declined 9.3 percent during the same period.

The KFTA ascribed the decline of prices of imported goods to the cutback of customs duties from 16.9 percent to 7.2 percent on average and abolition of a defense surtax amounting to 2.5 percent of import prices based on customs clearance.

As a result, domestic manufactured goods lost 15.7 percent in their competitiveness against imported goods.

Low quota tariffs and opening of domestic markets were other factors to sharpening competitiveness of imported products.

Imports of 69 items, which were benefitting from low tariffs applied to some amounts for the period, increased 46.4 percent in the January-March period from a year earlier.

Imports of 93 items, which were to be imported freely on Jan. 1, also increased 85.6 percent to $230 million in the same period.

Capital goods imports climbed 20.3 percent to $1,840 million in the January-March period from a year earlier thanks to a break in customs duties of 60 percent.

The tax favor was given to manufactures who wanted automation and sophistication of their plants by the government by the end of June this year along with a preferential loan of 1,300 billion won.

A spokesman said that the government should tighten total liquidity to slow the snowballing trade deficit as it will be unable to restrict imports and increase tariffs due to probable pressure from the United States.

He also stressed that the government should take measures to sharpen price competitiveness of domestic products as a way to improve the trade deficit.

Prosecution Demands Death Sentence for Radical

SK2008021091 Seoul THE KOREA TIMES in English 20 Aug 91 p 3

[Text] The prosecution demanded death sentence yesterday for Pak Ki-pyong, a radical better known by his penname Pak No-hae, charging him with attempting to topple the government by communist methods.

Pak, 33, dubbed "faceless labor poet" for his elusiveness until his arrest in march, organized Sanomaeng, or South Korean Socialist Workers League, an organization aimed at replacing the government with a socialist country, the prosecution said.

He was also charged with organizing an antigovernment rally by mobilizing some 500 students and blocking a thoroughfare in northern Seoul and torched a police box in December last year.

It marked the first time a political prisoner, except for those charged with espionage activities, was demanded a death sentence since the Sixth Republic, headed by President No Tae-u, was launched in February 1988.

Restructure of Joint Chiefs of Staff Eyed

SK2008015091 Seoul THE KOREA TIMES in English 20 Aug 91 p 3

[Text] The government will restructure the Joint Chiefs of Staff [JCS] with an eye to beefing up the combined war-waging capabilities of the three military service branches—the Army, Air Force and Navy—to the maximum extent.

The current Joint Chiefs of Staff, chaired by Gen. Chung Ho-kun, was redressed in accordance with the revised Armed Forces Organization Law last October.

Defense Ministry sources said yesterday that the ministry was considering re-organzing the Joint Chiefs of Staff structure again in the direction to further consolidating the authority of the JCS chairman.

The JCS chairman is entitled to exercise operational command under the revised Armed Forces Organization Law.

The ministry and the JCS, the sources said, have agreed to reorganize the JCS structure so that its chairman also has authority in personnel management over the senior officers serving in the JCS and their transfers.

Under the draft reorganization, the job positions of deputy JCS and "headquarters" cheifs will be repealed in the JCS structure.

The current top JCS echelon comprises three deputy Joint Cheifs of Staff, chiefs of four headquarters and heads of departments under the JCS chairman's command.

The sources said that the ministry would establish the office of a deputy chairman in the JCS so that the vice JCS chairman may participate in South-North high-level political conferences as a senior military delegate.

Burma

Junta Denies Laundering Money Through BCCI

BK1908162991 Hong Kong AFP in English 1243 GMT 19 Aug 91

[Text] Rangoon, Aug 19 (AFP)—The Burmese military junta denied Monday claims it had laundered money through the scandal-ridden Bank of Credit and Commerce International (BCCI).

The country's finance minister, Brigadier-general David Abel, said any business the junta had with BCCI was strictly normal banking deals. "Other than conducting normal banking transactions there has been no other linkage such as money laundering," Abel said at a special press conference.

The press conference was called after international newspaper reports last month that Burma's drug barons may have used the BCCI to launder their fortunes.

Some members of the Burmese military goverment have been long suspected by several drug agencies and diplomats of being closely involved in the country's multimillion dollar heroin trade.

Abel said that Burma, through the Myanmar Foreign Trade Bank, had first dealt with BCCI in London before switching to the BCCI subsidiary in Hong Kong in 1984.

He said Burma had only 100,000 dollars deposited in the bank when it was closed last month by Hong Kong authorities.

Brigadier General Abel Holds News Conference

BK2008053191 Rangoon Radio Burma in Burmese 1330 GMT 19 Aug 91

[Passages in quotes rendered in English]

[Excerpts] Brigadier General Abel, minister for planning and finance and for trade and the Information Committee of the State Law and Order Restoration Council [SLORC] held the 111st news conference at 1400 today at the conference hall of the Ministry of Trade with local and foreign journalists. [passage omitted]

At the news conference, Minister Brig. Gen. Abel addressed rumors about demonetization of 200-kyat and 90-kyat currency notes and unfounded reports on the BCCI [Bank of Credit and Commerce International] carried by some foreign news agencies and journals aimed at creating misunderstandings about Myanmar [Burma], and assured there was no likelihood of shortages in rice and cooking oil in the country.

Colonel Than Tun, member of the information committee, spoke about incorrect coverage and agitation by foreign radio stations and press on econmic crackdowns in Sittwe, Buthidaung, and Maungdaw townships in Rakhine state. [passage omitted]

Brig. Gen. Abel noted there have been rumors among the people which claim 200-kyat and 90-kyat currency notes would be demonetized by the government, resulting in unscrupulous practices in monetary exchange matters and manipulation of commodity prices. He said this matter is not new and it had been dealt with in past news conferences such as at the 24th news conference held on 27 January 1989. He noted that it is clearly stated on page 114 of the report on the news conference that the currency notes would not be demonetized and that reports on demonetization were totally groundless. [passage omitted]

Speaking on the reports about the BCCI, Brig. Gen. Abel explained that the country's monetary system is linked to the international banking system and conducts business with some international banks. In conducting such business the country has "corresponding banks" in some countries. He explained that the Myanmar Foreign Trade Bank has contact with 100 "corresponding banks" in some 49 countries. Citing the July 1991 issue of HONG STANDARD newspaper, Brig. Gen. Abel quoted the newspaper as saying: "Burma has links with the BCCI Hong Kong branch through the country's state-run bank. The BCCI was used by the Myanmar Foreign Trade Bank to handle international money tranfers from Hong Kong to Yangon [Rangoon]." He said it can be seen as a normal banking operation.

Speaking in detail about the BCCI, Brig. Gen. Abel said Burma first dealt with the BCCI of London in January 1984 and opened an account with the bank and conducted normal banking operations. At the suggestion of the BCCI, the account was transferred to the BCCI Hong Kong branch. In 1985 Myanmar withdrew $2.7 million from the BCCI Hong Kong and deposited $2.5 million, in 1986 withdrew $12.91 million and deposited $13.17 million, and in 1987 withdrew $13.52 million and deposited $13.85 million. He also said Myanmar wihdrew $3.82 million and deposited $3.74 million in 1988, withdrew $0.20 million and deposited $0.27 million in 1990, and withdrew $0.20 million and deposited $0.089 million in 1991. He explained that these amounts withdrawn and deposited were part of normal banking transactions and that the amount involved was very low. At the time of the inventory, we have over $100,000 with the BCCI Hong Kong branch. Brig. Gen. Abel said that the banking transaction was conducted officially and that a request has been made in a letter to give an official explanation. He said he could be so bold as to say there had been no transactions other than normal banking transactions.

Brig. Gen. Abel said he would like to declare that the state can take its responsibility in the matter and that Myanmar had at no time engaged in money laundering. He said some countries were aware of the matter but had turned a blind eye and noted that in 1984 an author by the name of (Penny Leonard) had written a book called "In Bank We Trust" and explained in detail money laundering in the world. It is surprising that despite the existence of this book the major countries and banks are only now aware of the BCCI matter. Clearly, they have turned a blind eye to the matter.

Speaking on the concerns of rice trade, Brig. Gen. Abel said there is anxiety among the public about a possible rise in the price of rice as paddy fields in some areas have been affected by floods in some areas. He said the cultivated acreage in the country is 12.5 million acres and currently 250,000 acres are affected by floods. He noted that on the average 300,000 to 500,000 acres of cultivated land are damaged yearly. He said he would like to assure that the floods this year are not likely to affect rice cultivation greatly.

He said the country sets aside reserve stocks of rice for use in case the need arises and that there should be no anxiety as there is a sufficient stock of rice. He said even if the paddy could not be recultivated in the flood-affected areas, there are good prospects for cultivation of winter crops.

Speaking on the matter of cooking oil, Brig. Gen. said there have been unscrupulous practices, price manipulation, and disregard of rules. He said there was about 36,000 tons of cooking oil at the port between 1 April and 30 June, and that the import of cooking oil has been unprecedentedly high for the last two years in Myanmar. He noted 100,000 tons of cooking oil was imported last year by the private, joint venture, and state enterprises. [passage omitted]

Next, Colonel Than Tun, deputy director of the Directorate of Defense Services Intelligence, explained groundless and agitative reports carried by some foreign broadcasting stations and press about economic crackdowns in Sittwe, Buthidaung, and Maungdaw townships in Rakhine State. As demanded by conditions in the country, exposures and arrests were made in a crackdown in the form of an organized campaign which was launched since 18 July 1991 against unscrupulous economic activities in the border areas. The foreign radio stations and press had reported on the matter as follows:

At 2015 [1345 GMT] on 31 July 1991 the BBC in a dispatch reported that Myanmar [Burmese] authorities had detained over 50 Muslems and that over 500 persons were arrested during the past week and that they remain under detention in the Sittwe jail.

Furthermore, the Myanmar service of the VOA at 0630 [0000 GMT] on 1 August 1991 reported that Myanmar authorities had arrested 466 opposition members of Muslem faith in THE western part of Rakhine State near the Myanmar-Bangladesh border. [passage omitted]

Col. Than Tun stated that these reports were totally incorrect and that they were groundless and incorrect reports fabricated by foreign radio stations and press to incite racial and religious problems. He said actually there were only interrogations in connection with unscrupulous economic pratices that have been going on in Sittwe, Buthidaung, and Maungdaw townships in Rakhine State. He said the information on intelligence, exposure, arrests, and goods impounded were carried in the form of a report in the 7 July newspapers.

He said the aim and objective of the economic crackdown in the form of an organized campaign in Rakhine State's Sittwe, Buthidaung, and Maungdaw were to bring down and stabilize rising prices of goods and to stabilize the monetary situation by controlling unscrupulous black market activities along the border regions.

Col. Than Tun said effective action will be taken against those who had been summoned for interrogation and were found to have engaged in unscrupulous economic activities. They transported foodstuff and consumer goods from Yangon to Sittwe for alleged distribution in Rakhine State, but later smuggled the goods to the country on the other side [Bangladesh] for their own benefit. The proceeds from smuggling did not flow back to the country but were changed into the currency of the country on the other side and changed into dollars. Some of these people brought these dollars back in ferries to Yangon and changed them back to Burmese currency at the prevailing rate. [passage omitted] These persons gave priority to illegal trading with the country on the other side for obtaining dollars. Their activities brought about rising prices of commodities and a shortage of basic foodstuff for the people in Rakhine State.

He said a total of 136 persons—130 males and six females—were interrogated and detained under this operation. Of these, 25 persons—24 males and one female—who were not connected with the case were released. Therefore, action was taken against only 111 persons—106 males and five females. He said that, therefore, the claim by the foreign broadcasting stations and media that 466 were arrested and that 500 were arrested were totally untrue.

He said among the 111 persons against whom the action was taken, 57 were male Bengali nationals, seven were male Rakhine nationals, and two were female Rakhine nationals. He said action was taken in accordance with the law against these persons for their unscrupulous economic activities. [passage omitted]

As of today the following were confiscated under the ongoing campaign to expose unscrupulous economic activities in Rakhine State: 12 million kyat in Myanmar curreny earned from illegal circulation of dollars, 1,470 taka, 22 kyat weight in gold bars and nuggets, 4.5 million kyat in 10 kinds of foodstuff stored in 11 warehouses for smuggling to the country on the other side, 16 trawlers used in smuggling, controlled goods, and uncontrolled goods stored in bulk for smuggling from 58 sealed shops and warehouses. [passage omitted] A total of 20.2 million kyat in goods were confiscated. [passage omitted]

Col. Than Tun said that the organized campaign in Rakhine State is aimed at the illegal dollar trade, smuggling, and illegal transfer of funds, and that it is not related to social or religious issues. [passage omitted]

The news conference ended at 1535 after questions from the journalists were answered.

Saw Maung, Khin Nyunt Leave on Visit to China

BK2008031591 Rangoon Radio Burma in Burmese 0130 GMT 20 Aug 91

[Text] Senior General Saw Maung, chairman of the State Law and Order Restoration Council [SLORC], accompanied by his wife, Daw Aye Yi, had left Yangon [Rangoon] in a special plane at 0630 today for Beijing, the People's Republic of China, on a goodwill visit at the invitation of PRC President Yang Shangkun.

Sr. Gen. Saw Maung was seen off at Yangon Airport by General Than Shwe, deputy chairman of the SLORC; members of the SLORC; members of the cabinet; the chief justice; the attorney general; the inspector general; the chairman of the Public Service Selection Board; senior military officials; Dr. Abdullah 'Adil al-'Adawi, acting dean of the diplomatic corps in Yangon and Egyptian ambassador to Myanmar [Burma]; Mr. (C. C. Qia), charge d'affaires a.i. of the PRC Embassy; Colonel (Lo Pan Po); PRC military attache; and PRC Embassy staff.

SLORC Chairman Sr. Gen. Saw Maung and his wife, Daw Aye Yi, were accompanied by Major General Khin Nyunt, SLORC secretary-1, and his wife; and members of the SLORC—Maj. Gen. Maung Aye, commander of the Eastern Command; Maj. Gen. Maung Tint, commander of the Northeastern Command; Brigadier General Abel, minister for trade and for planning and finance, and his wife—U Ohn Gyaw, deputy foreign minister; Rear Admiral Than Nyunt, Navy chief of staff; Brig. Gen. Thein Win, Air Force chief of staff; Brig. Gen. Tin Hla, commander of the 22d Light Infantry Division; Brig. Gen. Myo Thant, director of signals; directors general; and managing directors.

Cambodia

Diplomat Views Impact of Gorbachev Ouster

BK2008085591 Hong Kong AFP in English 0819 GMT 20 Aug 91

[By Jean-Claude Chapon]

[Text] Hanoi, Aug 20 (AFP)—Phnom Penh and Hanoi hope the Soviet Union will not be weakened by unrest following Mikhail Gorbachev's ouster, as their ally has a key role to play in settling the Cambodian conflict, sources said here Tuesday.

"We need stability in the USSR and my main concern is not to see a civil war," said a Phnom Penh diplomat, who added that the weakening of the Soviet Union "could not be a good thing."

Vietnam's official reaction also included the hope that "the Soviet people will overcome all challenges and stabilize the situation."

The Vietnamese and Cambodian sources said they did not expect the party hardliners who took power Monday to significantly alter Moscow's Cambodian policy, a view echoed by Western diplomats here.

"It's possible that the Soviet Union will be more active in the talks on Cambodia than it has been in the past few months, but Soviet policy is unlikely to change unless a Cambodian settlement takes shape that would be unfavorable to Phnom Penh," a Western diplomat here said.

The Soviet Union and the other four permanent members of the U.N. Security Council, who drafted a peace plan for Cambodia last year, are due to meet in just over a week to discuss the 12-year-old conflict.

"The peace process is too far advanced now for there to be major changes, especially since the solution is more and more in the hands of the Khmer (Cambodians) themselves," the Cambodian diplomat said.

The Phnom Penh Government—which is backed by Moscow and Hanoi— recently agreed with the three resistance factions to an unlimited ceasefire and a halt to outside military aid. The four parties also agreed to headquarter their Supreme National Council (SNC) in Phnom Penh starting in September. The U.N. plan calls for the SNC to represent Cambodian sovereignty until a new government can be freely elected.

The SNC, which groups the four parties, is to hold a new round of peace talks next week in Phatthaya, Thailand.

"The USSR respects our sovereignty and our rights and it will maintain its policy, which is to push for a settlement, because the Soviets have their own problems and need peace in this region," the Phnom Penh diplomat said.

The Soviet Union has been the largest supplier of arms to the Phnom Penh Government, which was installed by Vietnamese troops who invaded Cambodia in December 1978 to oust a Chinese-backed Khmer Rouge regime.

The radical Marxist Khmer Rouge is now the most powerful of the three factions in the resistance coalition, which also groups the non-communist followers of Prince Norodom Sihanouk and his former Premier, Son Sann.

A domestic economic crisis has forced Moscow to cut its aid to Cambodia and Vietnam in the past year, and diplomats here said they did not expect the decline in aid to be reversed as long as the crisis continues.

Refugees in Kompong Speu Receive Australian Aid

BK1908051691 Phnom Penh SPK in English 0425 GMT 19 Aug 91

[Text] Phnom Penh SPK August 19—The Joint Australia Nongovernment Organization Office (JANGOO) has

The Cambodian people and I will forever remember the deeds Your Excellency and your glorious country have rendered to assist us in peacefully wresting back national independence and unity. The successful outcomes achieved at the SNC meetings in Phatthaya in June 1991 and in Beijing in July 1991 are also among your accomplishments.

Please, Your Excellency, accept my highest and reverential regards.

[Signed] Norodom Sihanouk, Chairman of the Cambodian SNC.

[Dated] Pyongyang, 11 August 1991.

Indian Counterpart Greeted on National Day

BK1908031891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 18 Aug 91

[Text] Comrade General Tie Banh, the State of Cambodia's defense minister, conveyed a message of greetings to his Indian counterpart, His Excellency Sharad Pawar, on the celebration of the national day of the Republic of India.

The message read: On behalf of the cadres and combatants of the Cambodian People's Armed Forces and in my own name, I am extremely pleased to extend the warmest greetings and best wishes to your excellency, the officers and the rank and file of the Indian Army. May the relations of solidarity and friendship and mutual understanding between our two Armies be further promoted and consolidated, and may your excellency have the best of health and achieve every success in the implementation of your noble tasks.

Tie Banh Congratulates New Defense Minister

BK1708075491 Phnom Penh SPK in English 0420 GMT 17 Aug 91

[Text] Phnom Penh SPK August 17—Defense Minister Tie Banh has congratulated Senior Lieutenant General Doan Khue on his nomination as defense minister of the Socialist Republic of Vietnam.

In a message, Defense Minister Tie Banh said: "I am firmly convinced that the friendship, solidarity, and all-sided cooperation between the Armies and peoples of our two countries will be further consolidated and developed.

"I wish you the best of health and success in your noble task."

Chea Sim Closing Speech at Assembly Session

BK2008055191 Phnom Penh SPK in English 0437 GMT 20 Aug 91

[Text] Phnom Penh SPK August 20—National Assembly Chairman Chea Sim said here yesterday that among the issues already solved, the unconditional cease-fire and the cessation of foreign military aid to all Khmer warring parties have brought the two sides closer together in opinion.

Addressing the closing of the 21st session of the National Assembly, Chea Sim said the National Assembly and the people highly praised Prince Sihanouk's contribution to ending the two-decade-long civil war in the country.

He said the National Assembly proposed to the Supreme National Council [SNC] to continue its activities to obtain further results, and to put an early end to the years-long war and build an independent, peaceful, democratic, neutral, and non-aligned Cambodia free from the threat of the past calamity.

On the UN framework document, he said the State of Camboldia never intended to reject or deviate from the document, adding that it accepted most points of it.

With regard to the internal affairs, he said the National Assembly urged the Council of Ministers to take more steps to remove all negative phenomena and impose strict control over the ministries, state institutions, and people's committees at all levels.

He proposed measures against anarchy in the society, saying that any state institutions or cadres who infringe on the law must be punished accordingly.

During its 21st session, he said, the National Assembly appealed to the international community to contribute more to the consolidation of the resuts obtained by the SNC, to support the joint efforts made by Prime Minister Hun Sen and Prince Sihanouk to solve the remaining issues and reach a final formula acceptable to all sides, to help create favourable conditions for the forthcoming SNC meeting in the Kingdom of Thailand, and to immediately lift the embargo on humanitarian and economic aid to Cambodia.

Outcome of National Assembly Acclaimed

BK2008023691 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 19 Aug 91

[Station editorial: "Enthusiastically Applauding the Success of the 21st Ordinary Session of the First National Assembly"]

[Text] The 21st ordinary session of the first National Assembly which was held for six days from 14 to 19 August 1991 concluded with brilliant success.

With zealous determination based on the sense of great national solidarity and unity, National Assembly members physically and intellectually contributed their constructive views in frankness, daring and with a high sense of responsibility. With ardent love for the nation and people, our National Assembly pondered on all the possible tasks our state will be able to implement to speed up socioeconomic development and ensure the stability of our people's living conditions.

In view of the profound changes in the country and the world and the emergence of new and unexpected events, the National Assembly highly values the great efforts of the Council of Ministers to cope with the national economic and financial situation responsibly and patiently. The National Assembly called on the Council of Ministers to enhance the quality of cadres at all levels, to heighten the sense of thrift, and to struggle to eliminate negative phenomena in our society and boost the people's confidence in our new regime.

Moreover, the National Assembly approved a number of laws on the management of the national economy, the control of land transport, the People's Police, retirement pensions, pensions for disabled combatants and troops of the Cambodian People's Armed Forces. Along with this, the National Assembly praises the relentless efforts of the Council of Ministers to overcome all manner of difficulties and obstacles, in advancing the political settlement of the Cambodian problem and achieving concrete progress in keeping with the sacred aspiration of our people all over the country.

The National Assembly applauded the agreement reached by the 12 Supreme National Council [SNC] members to hold aloft the banner of Cambodia's national sovereignty, to adopt the flag and anthem of the SNC, and to select the city of Phnom Penh as the SNC headquarters. This will accelerate the resolution of the remaining issues before achieving the ultimate result.

The National Assembly highly appreciates the precious contribution and activities of Samdech Norodom Sihanouk to end the national conflict, which has dragged on for more than two decades. The National Assembly also wishes to welcome the efforts of all SNC members, who have recently agreed to put national patriotism and love for the people above other interests by cooperating to resolve the national issue responsibly and independently, not bowing to pressure or influence from any foreigner.

Our National Assembly, representing the will of the entire Cambodian people earnestly requests the SNC, with Samdech Norodom Sihanouk as chairman, to continue their work for new successes on the basis of mutual trust and national reunification, so as to terminate the protracted conflict and rebuild the country as an independent, peaceful, democratic, neutral, and nonaligned state without recurrence of the incident that gravely endangered our nation and people between 1975 and 1979. It is in this context that our people wish to enthusiasticaly welcome and applaud the aforementioned brilliant success. They are determined to translate the resolutions adopted at the 21st session of the National Assembly into concrete actions to defend and build a prosperous motherland.

Truce Violated in Kampot, Battambang 10 Aug

BK1908131691 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 19 Aug 91

["Press communique on unlimited truce violations"]

[Text] After the agreement on cease-fire and cessation of military aid was reached by all Cambodian factions, the Polpotists have continued to commit incessant violations, using infantry forces, all types of artillery, and tanks to attack the positions of the State of Cambodia Armed Forces and to rob the people who were living happily and working productively.

As a matter of fact, from 2100 on 10 August 1991 to 0300 the next morning, a number of Polpotist forces encroached into our position at Pong Toek Village, Phnum Leav Ti Muoy Commune, Kompong Trach District, Kampot Province, killing four inhabitants and taking five others away.

In Battambang Province, they fired a total of 300 rounds of 120-mm, 100-mm, H-107, and 76.2-mm artillery pieces into the areas under our control at Ta Hen and O Don Peou in Bavel District.

VODK Insists on Presence of UN Force

BK1908063191 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 18 Aug 91

[Station commentary: "The Cambodian people as well as the international community hope that the upcoming Supreme National Council meeting in Phatthaya will decide on key issues with a view toward ending the over-12-year Vietnamese war of aggression against Cambodia at the earliest date"]

[Text] The success achieved at the Supreme National Council [SNC] meetings in Phatthaya on 24-26 June, and in Beijing on 16-17 July, have provided a ray of hope to the Cambodian people, the regional states, as well as to peace- and justice-loving countries the world over which desire to settle and put an end to the Vietnamese war of aggression at the earliest date in accordance with the framework blueprint of the five permanent members of the UN Security Council. This is to promote Cambodia's peace and independence and the right to self-determination of the Cambodian people, thereby restoring peace and stability in Southeast Asia and the Asia-Pacific region.

At the SNC meetings in Phatthaya and Beijing, the SNC members from the four Cambodian parties agreed on a number of issues, including:

1. The appointment of Samdech Norodom Sihanouk as the SNC chairman, making the SNC a plenipotentiary body able to function effectively—henceforth the SNC can proceed to settle the Vietnamese war of aggression against Cambodia in compliance with the framework document of the five permanent members of the UNSC;

2. The agreement to implement the cease-fire and the cessation of outside military aid; and

3. The appeal to the United Nations to dispatch a monitoring force to Cambodia to oversee the implementation of the cease-fire and nonacceptance of outside military aid.

The Cambodian people as well as the international community consider the outcome an important step forward to close the book on the Vietnamese war of aggression against Cambodia via a comprehensive solution. Everyone hopes that the upcoming SNC meeting in Phatthaya on 26-29 August will enhance and expedite the Cambodian peace process, especially promoting the UN force's supervision and control over the implementation of the cease-fire and nonacceptance of outside military aid as well as over the withdrawal of all Vietnamese forces from Cambodia in conformity with the SNC's agreements and the latest joint declaration issued in Beijing by the five permanent members of the UNSC and the cochairmen of the Paris International Conference on Cambodia.

The dispatch of a UN monitoring force to Cambodia at the earliest date is vitally important, on the one hand, to cement the agreements reached and, on the other, to further advance toward resolving other important issues until a definitive comprehensive political solution is reached. That being the case, the Cambodian people, who have suffered from the Vietnamese war of aggression for nearly 13 years, have earnestly and repeatedly demanded that a UN monitoring force be sent to Cambodia as quickly as possible. The force, made up of 500-700 staff, can be sent in at an early stage. Then it can continue to be reinforced until the number of 10,000 is reached, according to the document of the five permanent members of the UNSC.

The Cambodian people ardently hope that the upcoming SNC meeting, the United Nations, and the UNSC will help find a solution allowing the UN force into Cambodia at the earliest date according the above-mentioned request. This will constitute a concrete measure aimed at resolving and doing away with the Vietnamese war of aggression against Cambodia via a comprehensive political settlement in conformity with the framework document of the five permanent members of the UNSC.

Vietnam Urged To Pressure Hun Sen on UN

BK2008091791 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 20 Aug 91

[Political commentary: "Vietnam's sincerity, or absence of it, will be seen soon"]

[Text] Recently, during a visit to Bangkok following his visit to Beijing, Vietnamese Deputy Foreign Minister Nguyen Dy Nien stated that Vietnam and China had agreed to cooperate with the international community in order to find a final solution to the Cambodian problem. Nguyen Dy Nien further revealed that Vietnam would send a high-ranking official at deputy foreign minister level to take part in the meeting of the Supreme National Council to be held in Phatthaya later this month in order—in the words of Nguyen Dy Nien—to observe and help smooth out the meeting.

The statement made by this Vietnamese official has generated much hope as no ingredients for peace in Cambodia would be missing if Vietnam would just do what it has professed to do. However, we have plenty of experience and insights about what Vietnam claims to do and what it actually does. We should take note of, and make a clear distinction between the two.

If it is really sincere, what should Vietnam do at the Phatthaya meeting? This is a possible scenario: If, at the Phatthaya meeting, the Hun Sen faction agrees to accept the Big-5 peace plan, if this Vietnamese-installed faction agrees to hand over to the United Nations all of the power necessary for it to ensure a neutral political situation in Cambodia prior to elections, it would be the ultimate accomplishment, for this constitutes the correct and fair basis for a political settlement of the Cambodian problem. The Cambodian people, who are the master of the country, have the right and freedom to rule in the place of the Vietnamese-supported regime.

However, if the Hun Sen faction refuses to grant the United Nations the power necessary to ensure a neutral political atmosphere prior to elections, Vietnam should "help pressure"—for we want to avoid using the term "order"—the faction that it has installed to hand over the reigns of power to the United Nations. Vietnam should help pressure the Hun Sen faction if Vietnam respects the promise that it will cooperate with the international community in the search for a solution to the Cambodian problem. Vietnam has no excuse for telling the international community that it cannot pressure the Hun Sen faction because it respects the sovereignty of the regime that it has propped up. Such self-justifying language cannot help Vietnam. If it wants to make amends, if it wants to stop confronting the superpowers and the entire international community, such language can only be detrimental to Vietnam's own interests, and only shows the deceit and crookedness of Vietnam, which is notorious in the world as the most mendacious, deceitful, and devious race.

We would like to make further comments on this point. Such a trait is so well known that a prestigious Western newspaper writes: One legacy that Vietnam has indelibly left behind to the world is none other than its lies and deceit.

Therefore, with this final chance for Vietnam to erase this stinking notoriety, to reintroduce itself into the mainstream of the world community, and to restore its own economy, it should display genuine sincerity. It should assume the responsibility of making the Hun Sen faction agree to hand over power to the United Nations and accept all the necessary measures to be taken by the United Nations to oversee all sectors in Cambodia during the transitional period. This is the only means for Vietnam to display its sincerity and the only path toward terminating the war in Cambodia and ending the misery of the Cambodian and Vietnamese people.

Troops in DK Uniforms Commit Outrages

BK1708025291 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 16 Aug 91

[Excerpt] According to Kompong Chhnang Province's national council, since early August in various villages, communes, and districts of the province, Vietnamese aggressor and Phnom Penh soldiers have disguised themselves as combatants of the National Army of Democratic Kampuchea and plundered the property of our people in the most cruel and barbarous manner. Moreover, they have also planted mines near villages and on the paths used by our people every day. Since 3 August the following casualties have been recorded:

1. In Kompong Tralach District, 12 people—four women, five men, and three children—and seven oxen have been killed by Vietnamese mines;

2. In Toek Phos District, 7 inhabitants—three men, two elderly persons, and four women [as heard]—and three oxen have been killed;

3. In Rolea P'ier District, 10 villagers have been killed and five wounded, and a great number of pigs and poultry have been slaughtered.

Kompong Chhnang Province's national council has also reported that our people in the province have suffered terribly from the base and cowardly actions of the Vietnamese. The people say there is no use continuing to hide behind a facade, because the Vietnamese cover has already been blown. [passage omitted]

300 SRV Soldiers Sent to Phnum Srok District

BK1808020891 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Aug 91

[Text] According to the National Council in Phnum Srok District of Battambang Province, on 9 August the Hanoi Vietnamese aggressors shipped 300 uniformed Vietnamese soldiers with a multiple rocket launcher to Route 68 in the district.

Indonesia

Suharto Delivers National Day Speech

BK1708121391 Jakarta TVRI Television Network in Indonesian 0216 GMT 16 Aug 91

[Speech by President Suharto at the House of Representatives in commemoration of the 46th anniversary of Indonesian independence—live]

[Excerpts] Peace be upon you! Honorable speaker, deputy speakers, and members of the House of Representatives, honorable delegates and invitees, it has become our state tradition on the eve of every anniversary of the proclamation of our independence that the House of Representatives holds a glorious and solemn session in accordance with its status as a body which voices the sovereign people's aspirations. [passage omitted]

Fellow countrymen, 1991 is important for our history as well as that of the world. This year is the beginning of the end of the last decade of the 20th Century. The world order will continue to undergo rapid and basic changes in the ideological, political, economic, social, and security fields during this decade prior to the 21st Century. The pillars of the world order established during the second half of the 20th Century as a legacy of World War II have begun to crumble. In the meantime, a new world order is seeking to be formed and is far from being established. In the economic field, the basic changes have led to a growing interdependence and the integration of the world economy. On the other hand, there have been signs of the emergence of new economic blocs. Rapid progress in science and technology, a revolution in the fields of communications and information systems, as well as the emergence of new economic forces, have drastically changed the patterns of investment, production, consumption, distribution, and trade. A rapid flow of capital and financial traffic, as well as new ideas, appears to have further blurred national boundaries. In business circles, international business partnerships have continued to grow.

The end of the cold war, the reunification of Germany, the growing integration of the Soviet Union and East European countries into the world economy, and the decision of the superpowers to reduce their arsenals have further maintained global stability and world peace. Resources that were earlier used for the arms race and war can now be diverted to development projects to promote the prosperity and welfare of the human mankind. It is strongly felt that the international community is seeking a new world order prior to the 21st Century. There have been trends toward the growing polarization of forces that do not necessarily need military or political strengths to support them.

Even though the world is moving toward global stability and peace, local and regional conflicts are emerging due to a collision of interests. In this regard, we are concerned that the Palestinian people's struggle to regain their basic rights for independence and justice appears to be still long and arduous. We all hope that various efforts to achieve a comprehensive settlement of the Middle East problem will enable the Palestinian people to be successful in their struggle. We are also deeply concerned over domestic upheavals, tension, armed conflicts, and secessionist movements in several countries in various parts of the world. On the other hand, we joyfully welcome the ongoing process of liberating Africa from the shackles of colonialism and racial repression.

We see encouraging developments in the Asia-Pacific region, of which we are a part. We joyfully welcome rapproachement and new efforts to promote cooperation in the northern part of our continent, such as the high-level dialogue between the two Koreas, the improved relations between the PRC and the Soviet Union and between the Soviet Union and South Korea, and the efforts to settle problems between Japan and the Soviet Union. A new chapter in relations between the Republic of Indonesia and the PRC on the basis of the ten principles of Bandung and the principles of peaceful coexistence began with the normalization of their diplomatic relations last year. In the meantime, a comprehensive settlement of the Cambodian problem has entered a new stage following the establishment of the Supreme National Council. Indonesia, along with other ASEAN countries, is joyful over its part in building the path toward this settlement. ASEAN itself continues to develop steadily. New ideas have been developed to increase the quality and the number of areas of ASEAN cooperation while promoting cooperation with its dialogue partners in the Asia-Pacific region and other regions. Peace in Indochina will further strengthen bonds, relations, and cooperation in Southeast Asia. This will positively contribute to the enhancement of political stability, security, and peace in the Asia-Pacific region and the world in general. With this stability, the

Asia-Pacific region will become a more dynamic region in its quest for economic progress and sociopolitical reforms.

In the economic field, a global consensus governing international economic relations is not yet conclusive. We can see strong trends toward regional economic groupings among the industrialized countries. These regional economic groupings will be positive if they continue to be open to the products of developing countries. But, if they choose to keep themselves closed, world disparity will further widen and start a future disaster.

As the developed countries are busily seeking the form and direction of the new world economic order, we feel that North-South relations have been given less attention. In fact, the settlement of this problem will be an important key to achieving a secure, peaceful, just, and prosperous world. Seen from national and international angles, we are indeed in the most dynamic decade of this century. Great opportunities are lying ahead. However, we are similarly facing great challenges and problems. Amid rapid and basic changes in the world, the Indonesian people must continue to implement the preamble of the constitution, which requires them to take part in efforts to achieve a world order based on independence, eternal peace, and social justice.

Honorable session, we can now anticipate that the strategic situation will change. Obviously, we cannot simply continue various policies and strategies that have proved successful if the strategic situation has changed considerably. Adjustments and reforms are continually needed to achieve better results that will serve our national interests. Moreover, we must be courageous enough to undertake necessary changes. No matter what changes and reforms we undertake, the final objectives must not change. We must implement the preamble and articles of the 1945 Constitution. This is what I have meant by often saying that our nation must maintain its continuity while being courageous enough to undertake endless adjustments and reforms. When our predecessors formulated the 1945 Constitution, they left a message requiring us to critically monitor the dynamism of every era. That is why we have already reaffirmed Pancasila as the sole philosophy of life at the social, national, and state levels. That is also why we have reaffirmed that our national development is nothing but a means to implement Pancasila. Thus, we will be able to maintain our continuity. We have also reaffirmed that Pancasila is an open ideology. This means that we guarantee endless reforms to refresh our vision. This being the case, openness is nothing new for us. We are critically, creatively, and dynamically comprehending and implementing Pancasila and the 1945 Constitution to enable us to respond to new challenges and opportunities that lie ahead. The final objectives of the nation are to achieve an advanced, just, prosperous, and eternal society based on Pancasila.

I have seen the significance of recent national dialogues in search of more concrete forms for basic ideas embodied in Pancasila and the 1945 Constitution to serve social, national, and state life. The dialogues will be positive as long as they conform with Pancasila and the 1945 Constiution; guarantee national unity and cohesion; strengthen dynamic national stability; and accelerate national development. Positive and constructive dialogues indicate freedom, which is an important part of democracy. Openness is to guarantee freedom, but freedom must be accompanied by responsibility. Without responsibility, freedom will lead to anarchy, which will eventually destroy democracy itself.

We need to further maintain freedom with responsibility because we will conduct the fifth general election under the 1945 Constitution in less than a year. The outcome of the coming general election will determine the composition of the People's Consultative Assembly, the House of Representatives, and regional houses of representatives. The coming general election will be of strategic importance for the next journey of our nation because the general assembly of the People's Consultative Assembly, established after the 1992 general election, will formulate the 1993 broad outline of state policies, which will in turn chart the direction of national development and the overall takeoff process prior to the second 25-year long-term development plan. Thus, what we are doing and what we are not doing in 1991 will have broad impact on the development of our nation in the future.

We—from the president to civil servants at the lowest level, high state bodies, the Armed Forces of the Republic of Indonesia, sociopolitical forces, mass organizations, community leaders, philosophers, and all other people—must deeply realize the significance of all steps we are taking for future development. It is no exaggeration to say that all of us who are now living are shouldering historical responsibility for future periods and generations. I have reminded you that the takeoff period is a critical one. History shows that some nations were successful while some others were unsuccessful in entering the takeoff period. The successful ones are fast achieving progress and prosperity, while the unsuccessful ones are again suffering a decline in their standards of living, together with endless upheavals. We are determined to be successful in entering the takeoff period. We do not want to become an unsucessful nation.

Thus, it is very important for us to make all preparations to ensure the success of the 1992 general election and enhance its democratic and open nature. We are all responsible for the success of the coming general election. This responsibility will not only lie in the hands of the government but also in those of all sociopolitical forces and all Indonesian people. General election contestants who will campaign freely and openly should present fresh ideas and realistic programs that will benefit development during the takeoff period and promote the people's political education. All this will obviously require great responsibility. Please do not hold campaigns that will narrow-mindedly reflect groups, create an emotional situation, and provoke mass emotions that could easily lead to disunity and conflicts. Differences in opinions are normal, healthy, and legitimate. However, mere differences in opinions will be destructive. Let us ensure that the situation prior, during, and after the coming election will remain cool, as a reflection of the growing maturity of our democratic life. All this is needed to support the smooth implementation of national development for the progress and welfare of all Indonesian people.

Fellow countrymen, the implementation of national development made significant progress throughout the second year of the Repelita V [Fifth Five-Year Development Plan]. However, in line with the dynamism of the development and progress achieved, other challenges and new problems emerged. We must face the challenges and solve the problems that have originated from within our nation as well as from foreign countries. As part of the world community, progress within our nation cannot avoid being affected by what happens outside.

Prior to the emergence of the Gulf crisis, the world economy was showing signs of a slowdown. Several countries had already experienced economic recession. The prices of primary comodities declined, including the prices of several important mining products. The outbreak of the Gulf crisis worsened the situation. It affected the flow of trade, the tourism industry, and the mobility of workers to foreign countries. All this affected our economy.

Although the revenue received from the export of non-oil non-gas commodities continued to increase, the growth was slow and not as high as in past years. In 1990-1991, the increase was less than 10 percent, below the targeted average yearly growth under Repelita V. Meanwhile, during the Gulf crisis revenue obtained from our oil and gas export increased due to the sudden rise in oil prices. As a whole, our export revenue in 1990-1991 reached about U.S.$28 billion, or an increase of about 18 percent over the previous year. When we take a deeper look into the progress of the export of non- oil non-gas commodities, it is obvious that each commodity showed a different level of performance. Revenue from the export of primary commodities, including important mining, and agricultural products, declined. Revenue from the export of several processed products such as sawn timber, cement, iron and steel also declined. But the overall revenue from the export of other industrial products continues to be good. This indicates that the deregulation measures taken by the government to support export-orientated industries in particular have brought steady progress to industrial development. In the meantime, our production of non-oil non-gas commodities continued to increase. What we experienced in the second year of the Repelita V indicated that it is necessary for us to continue to widen the export basis by increasing our industrial products so that there is diversification of goods for export. In this way our export products will be less affected by outside competition whose export products are mainly based on primary commodities. This is one of the aspects that enabled us to maintain our economic resilience and we will continue to carry on this way.

Amidst global economic upheavals, Indonesia's economy grew 7.4 percent in 1990, similar to the previous year. The non-oil non-gas sectors alone showed an overall growth rate of 7.9 percent. This ranks as a high growth rate and should make Indonesian people proud because the source of income for the majority of the people comes from these sectors. The industrial sector continued its growth at a rate of over 12 percent. Other sectors, such as the construction, trade, communications, and banking sectors also displayed rapid progress during 1990.

The agricultural sector showed an increase in production of only 2.8 percent, somewhat lower than the preceding year. All parties concerned must work more diligently to increase the rice output. Rice production has continued to rise and self-sufficiency in rice can be sustained. But we should be aware that in coming years, it will not be easy to increase rice output.

The fact that Indonesia's economy continued to grow amidst global economic upheavals, is evidence that the prime driving force of the economy in 1990 originated mainly from within the country itself.

The prime driving force was the high rate of investment in the country. This is indeed heartening, but it also created new problems. During the first two years of the Repelita V, domestic investment in the country that was approved by the government showed an average growth of 2.1 fold every year. The total number of projects increased by 1.3 fold every year. The value of foreign investment that was approved showed an average increase of 1.8 fold every year. The number of projects increased by 1.6 fold every year. During 1990-91 approved domestic investment in the country reached about 64.1 trillion rupiah, covering 1,711 projects. Approved foreign investment in the country reached about U.S.$9.7 billion, covering 608 projects. All this reflects local and foreign investors' firm trust in Indonesia's economic prospects in years to come. Certainly not all the projects will be implemented in the same year or at the same time. However, even though only some of them will be implemented, this will obviously have a wide ranging impact on economic activities. Many people will be involved in various development activities and will earn something throughout the period in which the projects are being implemented. After all the projects are completed, these projects will in turn create new job oppotunities for the community and increase the tax revenue. The export-orientated projects will increase our foreign exchange earnings.

Honorable speaker, we obviously need investment to boost national development. But a very high rate of investment has also created new problems. Investment activities need support from economic infrastructure. Of late we are beginning to feel the effect of pressure on infrastructures such as electricity, harbors, and telecommunication facilities.

Apart from that, investment also put pressure on available funds to finance investment projects. Bank credits increased dramatically and at the same time overseas borrowing by the business community also multiplied, yet there seemed to be a shortage of funds.

Imports, especially of capital and supporting goods, surged ahead, while non-oil non-gas commodities exports declined. As a result, in 1990-1991 Indonesia suffered a much larger deficit than previously estimated. There were also concerns over the scarcity of supplementary goods and a shortage of skilled labor.

With such a marked increase in investment, the economic machinery accelerated rapidly and somewhat overheated. Therefore steps needed to be taken to cool down the situation.

Monetary and budgetary measures have recently been adopted to control the ever increasing money in circulation with the object of controling the economy and putting it on a safe and sound track. Investment is badly needed for the continuity of development and we will continue to encourage domestic investment in the country. But the high interest rates, due to a strong demand for funds to finance various projects, were the main reason that most productive investment projects will be completed first, while those less favorable will have to be postponed so that less pressure is imposed on several other agencies in the economic sector. If we allow the economic imbalance and pressure to continue to exist it will bring about more negative consequences for the people. It is the duty of the government to maintain a balanced economy in the country. At the same time it is also the resposibility of all of us. The government controls the amount of money in circulation so that it remains within a safe limit to ensure that there is no fluctuation in prices of essential goods. In this way the situation of Indonesia's international balance of payment is well maintained for the sake of the continuity of development.

In a situation with a limited amount of funds, it was particularly important to maintain the spirit of solidarity and constraint. Existing funds are not for financing huge projects only. Existing funds will also be utilized for financing medium and small scale projects, and supplying the needs of medium and small businessmen. Within the framework of striking a balance between the small and the big companies, we have a special credit scheme for the small scale businessmen. I call on the banking sector to implement this scheme effectively so that it will achieve the target to provide assistance to small scale businessmen to carry on with their business.

In view of that I am asking state-owned companies to thoroughly review their investment plans, especially those huge projects which required substantial investment either in rupiah or foreign currency. I also call on all parties concerned to be very cautious about using commercial loans from overseas, in order to avoid putting heavier pressures on Indonesia's international balance of payments and to prevent creating uncertainities when entering foreign capital markets. Apart from that the debt burden of commercial loans should not exceed Indonesia's economic ability to repay them.

The management of the national economy is connected to the cooperation between government and people. Experience has shown that the alliance between, and mutual support of, government and people, especially the business sector, is the key factor in the success of development in several countries. We are aware of this and will continue to intensify efforts to promote such cooperation. We want all government officials to effectively support business circles so that the business circles in our country can be expanded as wide as possible. On the other hand, we also want the business circles to bear insight into the broad common interests of others when carrying out their activities. The government, together with the people, need to spread the basic attitude of mutual support to achieve significant goals. The government will continue its efforts in creating a stable investment atmosphere, review existing regulations, and get rid of unnecessary obstacles to support business circles. Besides, business circles should strictly observe government regulations and pay serious attention to the interests of the nation in a wider sense. This is a social obligation of business circles, especially big companies. As I had mentioned on one occasion before, we are all sailing in one ship of the nation.

Honorable session, monetary management forms part of the draft state budget policy. The control of money circulation within a safe level, and for economic stability, requires a sound union of both the mental and the physical. The mental area should be under control and the physical ability should be in order.

The national revenue received from taxation should continue to be increased through improvements in the taxation administrative system and the performance of tax personnel in making the people aware of the need to pay tax conscientiously. [passage omitted]

The tax revenue should be strictly controled so that it will not cause a shortage of funds, which Indonesia badly needs to support its development program. We still have to build various infrastructures and social facilities to step up our ability to enhance the development of human resources and to eradicate poverty.

The allocated development funds should be used as effectively as possible, with top priority being given to the completion of projects financed by foreign aid. The development funds should be spent wisely and efficiently, while keeping to the principles of the guidelines of state policy for the 1990-1991 fiscal year. The principles will continue to be Indonesia's guiding principles for this year and the years to come. Apart from that, in order to support a sound, growing economy the government is building various facilities within its limited available funds. The government is making efforts to expedite construction of infrastructures in various fields. Therefore Indonesia is inviting the participation of people and business groups in building various infrastructures that seem to have been neglected due to the rapid rate of development. [passage omitted]

The government will make the conditions for participation attractive to the people and the business sector, enabling the business sector to obtain suitable profits and at the same time safeguarding the common interests.

Honorable members of the House, the development of our national industries is moving rapidly toward the final years of the 25-year long-term development program. These industries are currently strengthening and widening their connections with the agricultural, forestry, mining and other economic sectors. Our export of raw materials is increasing steadily. Currently, our own industries are also processing raw materials into finished products and their value is increasing. Therefore, we will continue with our industrial development in accordance with the 1945 Constitution so that our natural resources can be fully exploited into wealth, which in turn should be distributed equally among us. In general, the direction of our development has been succesful due to the government's broad guideline on development, which has laid strong economic foundations for the upcoming take-off era. It is hoped that a more balanced economy will be created between the agricultural and industrial sectors. If we are able to maintain our present development, we can be hopeful that there will be a stronger and more balanced economic situation between the agricultural and industrial sectors during the take-off period. Our industrial sector is growing stronger with each passing year. More industries have been developed and more are currently being established in the interior and in the developed regions. The performance of the private sector and the national agencies has improved tremendously due to the process of deregulation and debureaucratization. Industrial exports are increasing and becoming more dominant annually and this has contributed greatly toward national income. In an effort toward increasing export-orientated industrial production, we have to stiffen our competition and we are expanding our industries in order to penetrate the global markets. Our industries are expected to face long-term competition. There would arise a need to have more skilled work force and experienced and high caliber administrative executives in the industries. All this indicates that our modernization process is directed toward economic development. There is an upsurge of new small-scale enterpreneurs annually. We will continue to further improve and widen the small-scale industries in future. One of the important issues is to upgrade the educational training standard in the small-scale industries. Industrial development is also considered as another strength in further increasing equal wealth distribution. Therefore, industrial development is continuously encouraged nationwide in accordance with the respective regional potential. In an effort to hasten the equal wealth distribution process, currently a number of nationally-owned agencies and some private companies have become foster parents to some small-scale industries for their mutual benefit.

Honorable members! Another priority in the Repelita V is the development of human resources. We will further improve the quality of Indonesians. We are fully aware that human quality will determine the success of a nation. We have to tackle this problem together in developing the people's physical and spiritual development. That field is wide and covers the members of the family, schools, villages, mass organizations, working areas and so on. We established numerous educational, health, community, religious, and cultural infrastructure in the first Repelita. We develop all this in support toward reaching the goal of improving Indonesia's human resources. We will continue with our efforts toward achieving such desired goals. We are happy that there is a marked increase in people's participation in developing such infrastructure. Currently, only two out of 10 Indonesians are still illiterate —most of the children who are of school going age are attending elementary schools natiowide, more youths are attending local or foreign high schools and institutions of higher learning. The individual's calorie consumption is increasing and frequently exceeds the daily average minimal need of 1,200 calories. The provision of protein for individual consumption is about 60 gm daily. Mortality rate is decreasing and the people's average life span is currently higher.

The above statement directly indicates the progress achieved in education and other sectors. Those achievements have assuredly been supported by the development of economic infrastructure such as roads, bridges, ports, transportation, electricity supply and so on. In other areas, we are also aware of the unemployment rate which has not been fully tackled and solved. With the improvement of human quality, a skilled work force will have the ability and creativity to become more productive in the informal sectors and in some other small-scale industries. Therefore, we should continue to encourage individual activity in the informal small-and medium-scale sectors. These sectors will turn into a new dynamic source in an effort toward further economic development.

The implementation of development programs will further improve Indonesian society and will further assist our efforts toward reducing the poverty level. Special concerted efforts should be undertaken to improve the condition of the poor. In this connection, I urge all officials at central and district levels to give top priority to their related fields. District officials should not make any more complaints that there are still poor people in their districts. We should cover such complaints. The poor should be provided with assistance and we should jointly solve the problems of their respective districts. Sectoral programs should support, and contribute toward, the elimination of this problem.

Honorable fellow countrymen, although we are faced with numerous obstacles, we are thankful that our development has been able to achieve its meaningful objective. In accordance with our determination to carry out development as part of our practice of Pancasila, we should jointly shoulder the major responsibility of providing the people with a just and equal distribution of wealth. The prosperity that we reap from the success of our development should be able to uplift the people's living standards at all levels nationwide. We should further develop our cooperatives societies as called for in Clause 33 of the 1945 Constitution. We should further intensify the people's participation in development programs in an effort toward further improving the quality of life of the Indonesian people. Such a statement indicates that we are able to overcome any condition brought about by any external economic situation. With such encouragement we are made to feel confident with regard to our future, especially in regard to our ability to fully utilize any limited opportunities and to take the necessary steps when facing challenges. The government's decision on deregulation and debureaucratization, which was jointly embarked upon by the authorities and the business and private sectors, brought impressive results due to their cooperative and tireless efforts. This constituted an important factor in the constant maintenance of our economic development within a bleak global economic situation. We had some bitter and difficult experiences, but despite these we were successful in making breakthroughs and successfully avoided stagnation. We are aware that our economic progress faces problems—particularly in connection with the different levels of progress achieved by our diverse society. Such a diverse progress has resulted in social disparity. We should approach and try to overcome such a problem with care, wisdom, and a high sense of responsibility. We should be careful in addressing such an issue because it could be consciously or unconsciously exploited, and degenerate into ethnic and racial conflict. On the cooperatives participation in purchasing credible major industrial shares, such an action should not considered as the cooperatives major interest and intention of just acquiring those shares for their own benefit. Their participation in this aspect is due to our desire in hastening the development of cooperatives as called for in Clause 33 of the 1945 Constitution. We should further create and promote a spirit of togetherness and equality in trying to boost our national economy. This means that our major economic strength should be constantly aware of such a need and should voluntarily make concessions to the smaller industries to participate in their activities. Thus, the major industries will be further strengthened and widened. The major and minor economic forces contribute toward the well-being of the national economy.

We need to renew our spirit of nationalism and we should be constantly and fully conscious of it on every eve of our independence day. We should fully understand the spirit of nationalism in an effort to face new challenges together as a nation. With a healthy spirit of nationalism, every Indonesian must remain united—not only in determination but in all efforts to face future challenges together. As a nation with a diverse population, our major strength lies in total unity. Therefore, we must discard all our ethnic and racial differences.

We are aware that we have more important roles to play in the future and we are confident that with the blessing of Almighty God, we will have the strength to achieve our goal in bringing about a just and prosperous society based on Pancasila.

Thank you, may God bless you!

Alatas Says Gorbachev Ouster 'a Surprise'

BK1908122991 Jakarta ANTARA in English 1038 GMT 19 Aug 91

[Text] Jakarta, Aug 19 (OANA-ANTARA) - Foreign Minister Ali Alatas declined to comment much about the news of President Mikhail Gorbachev's ouster in Moscow by his vice president, Gennadiy Yanayev, but he did say that it was a surprise.

"The reports are a great surprise to me and very unexpected, but information about the event so far has only come from the press," he said here on Monday.

No reports had been received yet from the Indonesian Embassy in Moscow so that the real situation was still unclear.

"For the time being, I would refrain from making further comments," he said.

"This news could have a broad impact towards world developments. Therefore, I prefer to be careful until knowing exactly what the background is," he said.

He added that developments should be followed continuously. "I don't want to analyse it carelessly," he said adding that it is too early to comment on it.

The Western press earlier reported that a state of emergency has been declared in certain areas in the Soviet Union following the replacement of Gorbachev.

Alatas Hopes USSR To Maintain World Peace

BK2008101491 Jakarta ANTARA in English 0954 GMT 20 Aug 91

[Text] Jakarta, Aug 20 (OANA-ANTARA) - Foreign Minister Ali Alatas expressed the hope here Tuesday that the Soviet Union would maintain its central role in creating peace for the world following the ouster of Mikhail Gorbachev by (his deputy) Gennadiy Yanayev on Monday.

"What happens in the Soviet Union is a matter of internal affairs of that country, and Indonesia hopes that it would maintain what it has achieved over the past two years in reducing international tension and making major countries to move toward cooperation," the minister told reporters.

In reply to a question on the Indonesian attitude towards the developments in the superpower country, Alatas said that a government, including that of Indonesia should be cautious in adopting an attitude if it had not yet understood the direction of the developments in that country.

In response to reactions by several countries which expressed concern over the change in the leadership in the Soviet Union, the minister added "we are certainly concerned over the unexpected developments."

The minister said that what is hoped by Indonesia is that the Soviet Union would maintain the central role it has played so far in creating peace for the world whatever developements that would occur later.

He explained that the areas in which the Soviet Union has so far played its role included cease of tension and arms reduction which are expected to develop further.

Western news agencies reported Tuesday that Kremlin had provided a security guarantee for Mikhail Gorbachev (60) who was replaced by Gennadiy Yanayev (54).

MPs 'Surprised' at Gorbachev's Sudden Removal

BK1908131991 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 19 Aug 91

[Text] A number of observers believe that the assumption of the Soviet presidency today by Vice President Gennadiy Yanayev following the resignation of Mikhail Gorbachev for health reasons will threaten reforms in that country.

Ipik Asmasubrata, vice chairman of House Commission I [in charge of foreign affairs, defense, and information] and Marzuki Darusman, member of Commission I from the Functional Group Faction, said that they were surprised at the sudden change of the Soviet presidency. According to the two MPs [members of parliament], if the change was truly due to health reasons, the situation would be temporary. However, if it was for political reasons, this would signal a victory for the conservatives opposed to reforms undertaken by Gorbachev over the past five years. Although there are fears that this will threaten the reforms in the country of red bears, the political observers are convinced that the reforms undertaken by Gorbachev will not end completely.

Chamber of Commerce Studies Gorbachev Fall

BK2008090191 Jakarta ANTARA in English 0818 GMT 20 Aug 91

[Text] Jakarta, Aug 20 (OANA-ANTARA)—The Indonesian Chamber of Commerce and Industry (Kadin) is still studying the impacts of the new political developments in the Soviet Union on the Indonesia-Soviet Union bilateral trade relations, Kadin General Chairman Sotion Arjanggi said here Monday evening.

The fall of the Soviet president, Mikhail Gorbachev, so far has not resulted in any change in the trade relations between the two countries and everything is still running as planned, he said after receiving some visiting U.S congressmen.

The congressmen delegation will be in Indonesia for two weeks.

"We will wait and see and we have not turned out any new decision with regard to the two countries' trade ties," Arjanggi said.

According to Arjanggi, the situation in the Soviet Union is still unpredictable now, while the state of emergency is still being imposed as well. However, he expressed the hope that the replacement of Mikhail Gorbachev with Gennadiy Yanayev would not affect the cooperation programs between Indonesia and the Soviet Union which had been going on.

On the visit of the U.S congressmen, he said, it was mainly intended to increase trade and industry cooperation program between Indonesia and the U.S. Indonesia is one of the U.S.' main investment targets in the Asia-Pacific region aside from Malaysia, Hong kong, and Singapore.

U.S. investments in Indonesia this year are estimated to total 1,425 billion U.S. dollars, mostly in the oil sector, which will reach 1,165 billion U.S. dollars.

He said the large amount of investments in the oil sector was mainly due to the increasing demand for energy from the Asia-Pacific countries which had tried to lessen their dependence on oil supply from the Middle East. However, it has been estimated as well that the growth of U.S. investments abroad this year in general will drop to six percent only from around 19 percent per year between the period of 1987 to 1990.

The U.S. mainly buys sports shoes, processed food, leather products, pulp, coffee, and tea from Indonesia and is eager to sell among others cotton, cement, chemical industry machineries, and oil drilling equipment.

In 1990 Indonesia enjoyed a surplus of 844.5 million U.S. dollars in its trade balance with the U.S.

Laos

Report on Cooperation Meeting With Thai Side

BK1808120991 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 16 Aug 91

[Text] On 15 August and on the morning of 16 August, the technical teams of the Cooperation Commissions of Laos and Thailand held a meeting at the Dusit Resort Hotel in Cha-am District in the Phet Buri Province of

Thailand, some 200 km from Bangkok, to discuss the issue of cooperation in various fields between the two countries.

The Lao technical team was led at the meeting by Thongphai Phothisan, head of the office of the Foreign Affairs Ministry; and the Thai team by Witthaya Wetchachiwa, permanent undersecretary of the Foreign Ministry. During the meeting, which proceeded in an atmosphere of mutual friendship and understanding, the two sides discussed cooperation in many fields. With regard to the political field, they discussed a draft agreement on cooperation aimed at maintaining security along the Lao-Thai border. They also consulted with each other on the progress toward a settlement of the border problems, the refugees problem, the appointment of military attaches, and the narcotics problem. During the meeting, they raised the issue of cooperation in launching technical training programs in the social, economic, and cultural fields. In addition, the two sides discussed the issues of crossborder goods transportation, the reduction of import duty on agricultural products, the purchase of electricity from Laos by Thailand, and the upgrading of the airfield in Luang Prabang Province. At the same time, they also discussed a name for the bridge across the Mekong River as well as the construction of the second bridge across this river. On cooperation in the technical field, the two sides discussed ways to solve the problem of interference by television signals and cooperation in the tourism, cultural, and public health fields.

It was reported from Thailand that on the afternoon of 16 August, Phoun Sipaseut, vice chairman of the Council of Ministers, foreign affairs minister, and chairman of the Lao-Thai Cooperation Commission, met with Asa Sarasin, Thai foreign minister and chairman of the Thai-Lao Cooperation Commission. The meeting between the cooperation commissions of Laos and Thailand is scheduled to take place on 17 August. If the two sides share a similar view, an agreement on security cooperation along the Lao-Thai border will be reached.

Agreement Reached With Thais on Border Security

BK1908143991 Vientiane KPL in English 0917 GMT 19 Aug 91

[Text] Vientiane, August 19 (KPL)—An agreement on cooperation and security along the border between Laos and Thailand was reached in Cha-am District, Phet Buri Province, Thailand, during the first meeting of the Lao-Thai Joint Commission between August 15-17, 1991.

The signatories to the agreement were Mr. Phoun Sipaseut, vice prime minister, foreign minister of Laos and co-president of the commission on the Lao side, and Mr. Asa Sarasin, foreign minister and co-president of the commission on the Thai side.

The signing of this agreement has provided the sides with cooperation mechanisms at both national and provincial levels. At national level, Laos's defence minister and Thailand's [military] commander-in-chief will be co-presidents of the Joint Committee for Cooperation and Border Security between Laos and Thailand.

So far, Laos and Thailand have set up three cooperation mechanisms: the Lao-Thai Joint Commission, the Lao-Thai Joint Committee for Cooperation and Border Security, and the Lao-Thai Common Border Committee. These have opened up a new era of the two countries' cooperation for mutual interest based on understanding and trust of each other.

The discussion also included economic and cultural cooperation, in particular overland goods transport, the reduction of import taxes charged on agricultural goods from Laos, the new agreement on electricity rate purchased from Laos, and technical cooperation.

The participants were also informed of Thailand's project to help renovate the airport in Luang Prabang, in the northern Laos, which will be mutually fruitful for trade and tourism.

Other issues discussed at the meeting were the arrangement of television transmission signals, the naming of the Mekong bridge to link Laos's Vientiane Capital and Thai Nong Khai Province, the cultural and tourism relations, the cooperation and coordination in narcotics prevention and suppression, as well as the refugees issues.

Refugees Returning From Thailand Welcomed Home

BK1908140391 Vientiane KPL in English 0922 GMT 19 Aug 91

[Text] Vientiane, August 19 (KPL)—A ceremony was held in Hatsaifong District to welcome 83 Lao refugees who voluntarily returned home from camp in Thailand.

Present at the ceremony were representatives from the Lao and Thai sides and the UNHCR [United Nations High Commissioner for Refugees]. Following a meeting held in June in Luang Prabang between the three sides, Laos, Thailand, and the UNHCR, where cooperation programme to welcome Lao refugees from Thailand was worked out, so far 38 refugees have returned home through Pakse crossing point, and 32 through Savannakhet crossing point in addition to the 83 persons as indicated above.

Leaders Receive Congratulations From SRV Heads

BK1908142791 Vientiane KPL in English 0904 GMT 19 Aug 91

[Text] Vientiane, August 19 (KPL)—President Kaysone Phomvihan of the Lao People's Democratic Republic recently received a telegram of congratulations from President Vo Chi Cong of the State Council of the Socialist Republic of Vietnam in connection with the former's appointment as the president of the country.

Mr. Vo Chi Cong expressed conviction that under the guidelines of the fifth party congress and having just adopted the first constitution of the country, the Lao ethnic people would build Laos a country of peace, independence, democracy, unity, and prosperity.

The Vietnamese leader also wished the great friendship, the special solidarity and the all-round cooperation between the parties and people of Vietnam and Laos [be] developed.

Also recently, Prime Minister Khamtai Siphandon also received a similar telegram from his Vietnamese counterpart, Vo Van Kiet on the occasion of his appointment.

SRV Official Sends Sympathy Message to Kaysone

BK1708113891 Vientiane KPL in English 0909 GMT 17 Aug 91

[Text] Kaysone Phomvihan, president of the Lao People's Revolutionary Party Central Committee, recently received a message of sympathy over drought and flood affecting provinces of Laos from Do Muoi, general secretary of the Communist Party of Vietnam Central Committee.

The message conveyed the sympathy of the Vietnamese party, government, and people to the Lao party leader and through him to the party, government, and people of Laos, in particular the people in the stricken areas.

The Vietnamese party leader was convinced that the situation in the affected areas would be soon restored to normal.

A-sang Laoli Pays Friendship Visit to SRV

BK1808102791 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 17 Aug 91

[Text] A delegation of the Ministry of Interior led by Interior Minister A-sang Laoli left for the SRV at noon on 15 August to pay an official friendship visit to that country at the invitation of the SRV Ministry of the Interior.

The visit is to further strengthen the special solidarity, relations of friendship, and allround cooperation between Laos and Vietnam in general, and between the Lao and Vietnamese Interior Ministries in particular.

Seeing the delegation off at Wattai aiport were Bounma Mithong, deputy minister of the interior; and a number of high-ranking cadres. SRV ambassador extraordinary and plenipotentiary to Laos, Nguyen Xuan, also was on hand at the airport to see off the delegation.

PRC Embassy Warns Against Heavy Flooding

BK1808123791 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 18 Aug 91

[Text] Urgent news release from the PRC embassy in the Lao People's Democratic Republic [LPDR]:

At 0130 today, the Chinese embassy issued an urgent news release saying that it had received a most urgent message from the National Antiflood Command Headquarters of the PRC, instructing it to inform the Lao agencies concerned that today, 0200 on 18 August [time and date as heard], the water in the Mekong River inside Burmese territory started overflowing into Laos at the rate of 15,000 cubic meters per second. In the face of this unusual overflowing of flood water, it is suggested that the Lao side take precautionary measures against possible floods.

For the safety of lives and property, the Lao multiethnic people in all localities, in particular along the banks of the Mekong River, are instructed to be vigilant against the floods. People in areas not yet flooded must jointly take preventive measures against flooding. Those in the flooded areas are advised to be prepared and make full use of all means to fight the floods.

Leaders Greet Indonesian National Day

BK1608105891 Vientiane KPL in English 0925 GMT 16 Aug 91

[Text] Vientiane, August 16 (KPL)—His Excellency [H.E.] Acting President Phoumi Vongvichit of the Lao People's Democratic Republic on August 14 sent a message of greetings to His Excellency Suharto, president of the Republic of Indonesia on the 46th national day of Indonesia, August 17, 1991.

H.E. Phoumi Vongvichit extended congratulations and best wishes to H.E. Suharto, the government and the people of Indonesia of happiness and prosperity.

The Lao acting president also hoped that the existing ties between the governments and the people of the two countries would be developed and consolidated for the peace and the cooperation in the region and the world over.

On this occasion, H.E. Phoun Sipaseut, vice chairman of the Council of Ministers and foreign minister of Laos, also sent a message of the same nature to his Indonesian counterpart, H.E. Ali Alatas.

Deputy Minister Attends Indonesian Reception

BK1908143391 Vientiane KPL in English 0909 GMT 19 Aug 91

[Text] Vientiane, August 19 (KPL)—Ambassador Extraordinary and Plenipotentiary of the Republic of Indonesia to Laos H.E.[His Excellency] K.T.H Siahaan and his wife hosted here on August 17 a reception marking the 46th national day of Indonesia.

Present at the reception were Mr. Khamphoui Keoboualapha, deputy prime minister, minister of economy, planning and finance, and in charge of trade and tourism; ministers and deputy ministers; members of the People's Supreme Assembly; and some senior officials.

Diplomatic corps to Vientiane also attended the reception.

The reception filled with good atmosphere of friendship wound up with Indonesian music performances played by the embassy's staff.

Nouhak Phoumsavan Receives New Polish Envoy

BK1908100891 Vientiane KPL in English 0907 GMT 19 Aug 91

[Text] Vientiane, August 19 (KPL)—President Nouhak Phoumsavan of the People's Supreme Assembly [PSA] received here on August 17 Ambassador Extraordinary and Plenipotentiary of the Republic of Poland to Laos Mr. Marian Ejma Multansky.

At the meeting of friendly atmosphere, PSA president congratulated the new Polish ambassador to Laos and described the appointment as a contribution to the consolidation of the long-standing friendship between the governments and people of Laos and Poland.

On this occasion, the ambassador also congratulated Laos over the adoption of its first constitution.

Revenue, Expenditures Increase by Over 30 Percent

BK1908141391 Vientiane KPL in English 0914 GMT 19 Aug 91

[Text] Vientiane, August 19 (KPL)—The domestic revenue for 1991 is estimated at only 79.54 million kip, a 31.40 percent increase against 1990, Mr. Khamphoui Keoboualapha, vice prime minster, minister of economy, planning, and finance, indicated in his presentation of the 1991 draft budget to the 6th session of the People's Supreme Assembly.

According to him, 53.29 billion kip of the revenue will come from taxation, while the expenditure is estimated at 204 billion kip, 32 percent increase against last year.

He further said only 101.9 billion kip revenue is expected from foreign sources. To reduce the state of imbalance, he said more efforts must be put on increasing production of export goods, strengthening taxes and reviewing unnecessary expenditures and trying to settle the remaining debts account at the end of this year.

New District Established in Attopeu Province

BK1908143191 Vientiane KPL in English 0924 GMT 19 Aug 91

[Text] Vientiane, August 19 (KPL)—The People's Supreme Assembly Standing Committee has recently approved the establishment of one more district named "Phouvong" in Attopeu [Province].

This is to facilitate the administration in the province on the recommendation by the Council of Ministers.

Phouvong District, covering a part of Sanamsai, Samakkhisai, and Saisettha Districts, has a total area of 17,550 hectares, 18 villages, with a population of 7,362.

Now the province of Attopeu has five districts.

Rice Plants Damaged by Floods in Khammouane

BK1908141591 Vientiane KPL in English 0911 GMT 19 Aug 91

[Text] Vientiane, August 19 (KPL)—Recent heavy rainfall in Hin Boun District, Khammouane Province, has caused considerable damage to rice plantation and properties of farmers there, said Mr. Thongphoun Chanphengsai, head of the provincial service of agriculture and forestry.

Extensive soil erosion from Ong Han and Mong Mountains' slopes due to rainwater covered rice plantation areas.

Hin Boun ranks the fourth biggest district in Khammouane in terms of rice cultivation. It has 4,120 hectares [ha] of its total 6,148 ha ricefields affected by this natural disaster, 2,800 of which were completely damaged.

Thongphoun said now the service had to encourage farmers to retransplant rice and grow other cereals where possible. However, the replantation of rice in the area will not be as productive as it is now rather late. That is why effort will be focused on other starchy crops.

Civil Servants Said Not Paid for Two Years

BK1708025691 Hong Kong AFP in English 0116 GMT 17 Aug 91

[By Jean-Claude Chapon]

[Text] Vientiane, Aug 17 (AFP)—One of the priority tasks facing the new Lao Government is to ensure its discontented civil servants are given their salaries for which some have been waiting for two years, officials sources said here.

During the parliamentary session which ended last week, some provincial MPs [members of parliament] made clear the growing discontent among police, military and education officials and the hardships they are suffering.

"The further you live from Vientiane (the capital), the less your chances of seeing any salary," explained a Lao economist who did not want to be named.

He added that the government had a limited budget and that the situation was not helped by certain officials who "stole money shamelessly."

"All of this has created a catastrophic situation in some provinces where large numbers of teachers and professors have quit, meaning that educational facilities can no longer be quaranteed," he said.

"You also have to take into account the large degree of autonomy each province has where local officials can do virtually what they like with their budgetary resources."

Government officials recognized the seriousness of the situation but felt a solution could be found, namely by increasing salaries and introducing more stringent controls on distributing the budget.

"We have already greatly reduced the number of officials in (local) administrations, and the money thus freed will allow us to raise salaries and ensure greater regularity in payments," said Deputy Foreign Minister Soulivong Phasitthidet.

Soulivong also hoped that the development of the private sector, under way in the last few years, and protected under the country's first Constitution adopted Wednesday, will boost government revenues.

Representatives of international organizations working in the provinces say the situation gets worse the further away it is from a town.

"It is catastrophic in rural areas, which are poorly served and hard to get to," said one representative who frequently travels in the north of the country. "It affects everyone but particularly settled ethnic minorities."

The minorities have been brought into settlement areas "where they are allowed to set up various infrastructures including schools. But generally the schools don't exist and where they do there are no teachers," he added.

Few officials want to live in these areas, and those that do soon leave given the poor living conditions they are forced to put up with, he said.

Various sources said teachers have to have several jobs to earn enough while others give up teaching altogether.

In the countryside many teachers moonlight as artisans, fishermen or farmers.

The army, which has a separate budget, is often faced with the same problem but has been able to develop commercial and industrial interests allowed to employ its soldiers.

Sole Television Channel To Be Replaced

BK1808092891 Bangkok THE NATION in English 18 Aug 91 p A4

[By Oranut Anasaksathian]

[Text] Laos plans to operate another television channel to replace its sole Vientiane-based Channel 8 to improve local reception and resolve interference from the signals of Thailand's TV Channel 7 relayed from Khon Kaen Province, a senior Lao delegate said yesterday.

TV Channel 8 is the Laotian sole visual media apparatus that the government provides for people in the capital. Its limited transmitting power was always overpowered by those stonger Thai TV air signals, prompting Lao people to rely on news, education and entertainment programmes from Thai TV stations.

The Laotian Government was concerned that the over-exposure to Thai influence would deprive Lao people of their rich national identity.

Khamla Visitsombat, permanent secretary of the Ministry of Communications and Transportation, said yesterday the Laotian side had informed the meeting here of the Joint Commission the replacement would be achieved through an increase of transmitting power of Channel 8.

But he accepted that the plan which will be financed by Japan's JICA prompted Thai concern that the improved system would disturb the reception of Thai viewers of TV Channel 11 in Udon Thani and certain areas in Nong Khai which are bordering Laos, he said.

Khamla said the plan was still on the drawing board and Lao officials have to consult with Japan on the feasibility of the plan. the improvement of the reception would also be achieved through the multification of frequencies of the station.

Meeting on Hydroelectric Power Project Ends

BK1608140091 Vientiane KPL in English 0917 GMT 16 Aug 91

[Text] Vientiane, August 16 (KPL)—The 4-day consultation meeting on Nam Theun 2 hydro electric project held in Lan Xang Hotel here wound up yesterday its discussions whose essence was in support of the realisation of the project.

Speaking on behalf of the Lao Government, Minister-of Industry and Handicraft Soulivong Dalavong expressed his appreciation to all delegates to the conference who, representing their respective country, had spent their time to discuss the government's policy in the development of the hydropower sector.

The minister said since electric energy has been the basis for much of Laos' foreign earning, the government, therefore, feels that hydropower development is very crucial for the future economic growth of the country. In this connection, he added, the Nam Theun II project has been given first priority among other sites in the country judging from its technical and economic view-point. He added, however, that the government still needs to do more investigations before making final decision whether to proceed with design and construction of the project.

The government of Laos shares many of the concerns presented by delegates to the meeting in connection with the question of optimization study, alternative study and planning, and equally important, the environmental and resettlement issues.

The minister expressed appreciation that in the past the government has received good cooperation and assistance from many countries and international community.

The consultation meeting chaired by Dr. Kithong Vongsai, deputy minister of external economic relations was taken part by delegations from Australia, Canada, France, Germany, Norway, New Zealand, Thailand and Vietnam.

Also attended were delegations from the UNDP [United Nations Development Program], the World Bank, ADB [Asian Development Bank], the Mekong Secretariat, the Australian engineering power development consultant SMED, and NGO's [Non-Governmental Organizations] delegations.

Philippines

Coup To Save Government, Bases Pact Rumored

HK2008013791 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 19 Aug 91

[Text] A rumor is circulating in the country that there will be a coup d'etat to save the Aquino government from total collapse. The reported coup d'etat will not be spearheaded by the rebel soldiers of the Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officers Union; it will be initiated by Armed Forces of the Philippines [AFP] Chief of Staff General Lizandro Abadia and former Defense Secretary Fidel Ramos and will be supported by 36 generals from the military.

According to the source, initially the coup d'etat will be blamed on the rebel soldiers led by former Colonel Gringo Honasan. The coup de grace will be carried out to warn the Senate to ratify the new bases treaty. The informant explained that the new coup d'etat headed by Ramos and Abadia was to prevent the loss of the $3.5 billion provided by the United States to modernize the AFP. The source added that Abadia and Ramos will spearhead the coup de grace to save the Aquino administration from rightist and leftist rebels. If the planned coup d'etat succeeds, the bases agreement, which will expire on 16 September of this year, is expected to be ratified.

Impact of Soviet Change on Bases Treaty Viewed

HK1908110591 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 19 Aug 91

[Text] Senator Leticia Ramos Shahani believes that the pro-bases senators may use the change in the Soviet leadership to push for the ratification of the new bases agreement. Shahani also believes that this change of leadership in Russia will affect U.S. policies in Asia.

[Begin Shahani recording in English; in progress] ...systematic reduction of our [word indistinct] in so far as the two countries are concerned. The treaty on limiting conventional weapons is on. In other words, they are already being implemented. [end recording]

In the Lower House, Congressman Jose De Venecia, House chairman for the Foreign Affairs Committee, said that the change in Soviet leadership does affect the military bases issue. He added that the United States needs their facilities in the Philippines even more today.

[Begin De Venecia recording in English; in progress] ...going to be new leaders of the Soviet Union do not reverse course because if they reverse course, and there is a return to the cold war period, then the reduction of forces, the scaling down of forces by Soviet Union and the U.S. in the Far East, would stop. And there might be a return to the armament race. [end recording]

Senators Reevaluate Bases Issue

HK1908122791 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 19 Aug 91

[Text] The United States may use the situation in the Soviet Union to justify keeping the American military bases in the Philippines. This was Senator Aquilino Pimentel Jr.'s reaction.

According to Pimentel, the United States may take advantage of this issue to scare the Filipinos that Philippine security will be threatened if their bases are withdrawn from the Philippines. It is possible for the United States, he said, to reason that the Philippines, with their military bases, should prepare for the hardliners who are presently moving in the USSR.

In a related development, the senators fear the revival of a cold war due to the hard core communists' return to power in the Soviet Union. Some senators, inlcuding Senators Ernesto Maceda, John Osmena, and Leticia Ramos Shahani, also expressed their belief that there currently is a greater need for a renegotiation of the U.S. military bases agreement.

Nonetheless, Shahani believes that the Philippines will not be affected by the latest developments in the Soviet Union. Senate President Jovito Salonga, on the other hand, remains firm in his opinion that the American forces will have to be removed from the country.

Senators Urge Renegotiation

HK2008044091 Manila PHILIPPINES NEWSDAY in English 20 Aug 91 pp 1, 2

[By Jose H. Macaspac III, Fidel F. Asor Jr., Arthur I. Bariuad, Ernesto L. Tugaff Jr., and Dionisio Tubianosa]

[Text] The fall from power of Soviet leader Mikhail Gorbachev on Monday could very well give bases treaty advocates an added push, Senator Leticia Shahani, chairman of the Senate foreign relations committee, yesterday said.

Noting that there could be a drastic reversal of Gorbachev-initiated policies, she explained that those who view the U.S. installations as a source of security could use this argument to convince those opposed to continued American presence in the country.

Already, Senator John Osmena has called for the renegotiation of the controversial bases treaty between the United States and the Philippines.

Senator Ernesto Maceda, chairman of the defense committee, has echoed the call, saying the political climate that existed during the negotiations of the accord no longer existed.

"The Ramos-Rusk provision can be invoked to defer for one year the bases deadline... A new panel headed by Philippine Ambassador Emmanuel Pelaez with Senate counterparts—Senators Shahani, (Vicente) Paterno, and (Ernesto) Herrera—should be named," Osmena proposed.

He also warned that the turmoil in Moscow could lead to a new Cold War and force the Senate to rethink its position on the American presence.

Filipino and American diplomats dismissed any possibility of major alterations in the proposed pact as a result of the leadership revamp in the Soviet Union.

Foreign Affairs Undersecretary Pablo Suarez said there would be no major changes in the bases agreement because the USSR would still be concerned with its domestic problems and therefore would not pose a major threat in the immediate future.

U.S. Embassy spokesman Stanley Schrager, on the other hand, said the new development in the Soviet Union would not have a direct effect on the bases negotiations. While he added that the "world is still a dangerous place out there," he said that the new bases pact was "enough to contain Soviet aggressiveness."

The much-delayed "initialing" of the new bases agreement could finally push through either today or tomorrow as negotiators on both sides reviewed the final draft of the accord "line by line, world for word," for minor alterations, it was learned yesterday.

Philippine and U.S. negotiators, who have been working overtime to prepare the final draft of the agreement for initialing, had restudied the language of the new bases accord for minor alterations after Washington sought "several minor changes," sources disclosed.

Schrager did not disclose what the unresolved minor issues were but said the "major thing" keeping the two sides apart was the official title of the new accord.

The Philippine panel, invoking the constitutional provision, insists that the new accord be called "Treaty of Friendship, Cooperation and Security" while the U.S. wants the pact called "Agreement on Friendship, Cooperation and Security."

Both sides have been stalled on the issue for a month now.

Highly-placed sources at the Foreign Office said the "initialing" would be done on the lower level, contrary to earlier reports that Foreign Secretary Raul Manglapus and Ambassador Frank Wisner would ink the new bases pact.

U.S. Embassy deputy chief of mission Thomas Hubbard will initial the new accord for the U.S. government while Foreign Affairs Undersecretary Pablo Suarez or Ambassador Raul Ch. Rabe would ink the agreement for the Philippines, sources said.

Although the Senate has not yet received the final version, the agreement has already led to a vigorous national debate over the future relations between the Philippines and its former colonial master.

Only seven senators have endorsed the agreement, and they did so reluctantly because of disappointment over compensation. Sixteen lawmakers oppose the agreement, although U.S. diplomats believe several can be persuaded to switch sides.

Mrs. Aquino has met with some senators to urge them to support the agreement but, with her term expiring in 10 months, was unable to convince even her brother-in-law, Senator Agapito Aquino, who says he will vote against the extension.

Mrs. Aquino said she had sought the help of Wisner in addressing the individual members of the Senate who had expressed concern over the issues of compensation and duration in the proposed bases accord.

"When Ambassador Wisner called on me, I said that it was best that he also address the individual senators," Mrs. Aquino told Malacanang reporters.

At the same time, Olongapo Mayor Richard Gordon told the Senate that the new bases treaty would end the country's colonial relations with the United States and propel it towards economic development.

Appearing before the Senate foreign relations committee, Gordon decried the government's seeming indifference in identifying alternative uses for the bases, particularly Subic, in the event the U.S. withdraws from the bases.

Gordon, who has been openly advocating the retention of the U.S. military facilities in the RP [Republic of the Philippines] bases, said the treaty would place Philippine-U.S. relations on a new plane of mutual respect and cooperations.

"For the first time, we have the opportunity to become a real partner of the U.S. and not just a recipient state, Gordon said.

Gordon believed that there were significant differences between the old treaty and the new one.

He said: "This (new) treaty departs completely from the colonial arrangement and the Cold War perspective that shaped the 1947 bases agreement."

Gordon said the new treaty also marked a substantial reduction in the presence of American troops in the country.

Under the agreement reached between Raul Manglapus and U.S. special negotiator Richard Armitage July 17, the U.S. will be allowed continued use of Subic Naval Base for 10 more years for an annual $203 million compensation package and other nonbases-related benefits. The devastated Clark Air Base would be turned over to the Philippine government on Sept 16, 1992 after clean-up operations.

Senator Herrera Interviewed

HK2008073291 Quezon City ABS-CBN 2 Television in English 1400 GMT 19 Aug 91

[Interview with Philippine Senator Ernesto Herrera by host journalists Teodoro Benigno, Antonio Abaya, and Miguel Romero; live—from the "Options" program]

[Excerpt] [Benigno] Welcome to Options, Mr. Senator. Senator, this question is to deal with ...[changes thought] Is the Senate going to ratify or reject the new Philippines-United States draft bases treaty on the U.S. military bases, and what is the latest Senate talk on the matter of bases?

[Herrera] Well, I think difficulty remains in getting the total votes required by the Consitution to ratify the treaty. Many of the senators now, however, are taking a second look at the agreement considering the clamor by various sectors to have it ratified. The president, of course, will now play a very important role in seeing to it that the treaty will be supported by at least two-thirds of the senators.

[Benigno] Had this been a boxing event, what would happen? Who would win?

[Herrera] Well, it is difficult now, Teddy, to come out with the certainty as to whether or not the treaty will be ratified. What I can say is that right now, there are about 13 or 14 senators who (?match my vote). Although some of them have expressed their sentiments about it, I feel that if there are good reasons to change their previous positions, then that would be possible.

[Benigno] Excuse me. What about the development in the Soviet Union, the fall of Mikhail Gorbachev—will that have any effect on the Senate's, what you might call, run-in on the bases issue?

[Herrera] Well, I am sure that all the senators will consider that, because that would simply mean that the cold war would come back, and so the U.S. bases will really have relevance subject to the revival of the cold war.

[Abaya] Mr. Senator, why did you mention earlier that you think the patience of the president is the key factor—is that correct?

[Herrera] Well, an important factor.

[Abaya] The most important?

[Herrera] I would say to some senators it could be the most important factor.

[Romero] So far as you can see, has she already started to lobby for the...

[Herrera, interupting] Well, many senators have admitted that they have been called to Malacanang, invited by the president...

[Benigno, interrupting] Are you one of them?

[Herrera, continuing]...and rediscussed the pros and cons of this treaty. I can appreciate the perception of the president on the possible consequences if the treaty is not ratified. I told her, however, that I have certain concerns. One of my concerns is of course the plight of the workers there and the other is the rehabilitation of Central Luzon, especially those areas affected by the Mount Pinatubo eruption. I feel that that should not be isolated from the U.S. bases issue, because once Clark is abandoned, then of course the workers of Clark will have to be reintegrated in our economy. Therefore, it is important that we have to rehabilitate Central Luzon.

[Abaya] I understand the Americans are preparing an additional compensation package as aid for the Pinatubo victims. Is this correct?

[Herrera] Well right now, the Trade Union Congress of the Philippines and the Department of Labor and the Asian-American Free Labor [word indistinct] are preparing projects and programs that they will implement. The U.S. Government has alloted some amounts for the rehabilitation of the workers who will be affected by the dismantling or the abandonement of Clark Air Base.

[Romero] Mr. Senator, this is another question that is in a lot of people's minds. This has to deal with the noises that the military has been making about the possibility of their supply of real hardware drying up if the bases agreement is not ratified with the Americans, and they have to delay the agreement. This particular issue, does it have a perceptible impact on the recalcitrant senators?

[Herrera] Well, in my case, I can only speak for myself. I agree that that will be a big loss to the military institution. I feel, however, that for the first year, the $103 million appropriated for training and financing of military equipment should be used for the rehabilitation of Central Luzon rather than for buying military armaments. I feel that that should be a priority and I think the military will agree that maybe for the first year, that amount should be used to rehabilitate Central Luzon. In fact, their concern is insurgency, peace, and order. The best way that we can solve insurgency, peace, and order is of course to develop our economy, and for that matter, Central Luzon. Central Luzon might reemerge as the hot bed of insurgency if it will not be able to immediately address the problems of Central Luzon.

[Benigno] Mr. Senator, suppose the Senate rejects the bases treaty. Because the military establishment considers the bases treaty absolutely vital to subsist, to reequip, and modernize—is there a possibility that the military will stage a coup d'etat?

[Herrera] Let me put it this way. If the overwhelming majority of our people are really for the ratification of the U.S. bases, then that can be a very important factor that the military must conceive. [sentence as heard]

[Romero] Now, Mr. Senator, one of the arguments that has been put forward by one of the opponents of ratification, namely Senator Rene Saguisag, is: You elected us. You entrusted your judgement to us. Now I have this occasion to point out to him that this was not so. When you appeared on the platform in 1987, I do not recall that the bases issue was discussed at any length. So the public did not really know where you senators stood on this issue. How could you, then, say that we entrusted our judgment to him?

[Herrera] Well, I agree with you, Rudy, because in the first place, at the time in 1987, we were still in a state of euphoria. You know with the ascendancy of President Cory Aquino to power, the sentiment of the people was to give support to the leadership. That includes the ratification of the Constitution. In fact, right now that we have the chance to reflect on the Constitution, we have realized that there are some provisions that we really have to make some corrections to in the future.

[Benigno] On the other hand, Mr. Senator, I think that in 1985, the group led by Joker Arroyo and Rene Saguisag did prepare a position paper asking for abrogation of the treaty and to which—Mrs. Aquino at that time—Mrs. Aquino affixed her signature. This is being held against her now. Why did she sign that then, only to turn around now? How did this affect the debate on that issue? Is Mrs. Aquino morally bound to honor the commitment that she made?

[Herrera] Well, I do not think so. Because I think one of the marks of a good leader is his capability to change his position if he realizes that his position is not correct. So I do not want to hold it against the president. In the first place, we should keep in mind that if you immediately dismantle the military bases at Subic and Clark, it is just like detonating a small atomic bomb in Central Luzon. You just cannot imagine how many workers will be displaced and how many businesses will be out.

[Benigno] How many workers?

[Herrera] Well, there are about 80,000 both direct and indirect hire.

[Abaya] That is a lot.

[Herrera] Yes. A lot. Of course, the small enterprises, the medium enterprises are dependent on the existence of the military bases. That is why, as I have been saying, I think we really have to extend the bases. Although, as I told the president and as I told Mr. Armitage, we have to address important concerns there, and one is the plight of the workers. [passage omitted]

Ouster Causes Bases 'Uncertainty'

HK2008043091 Manila MANILA BULLETIN in English 20 Aug 91 pp 1, 13

[By Marcia C. Rodriquez]

[Text] Uncertainty over the fate of the U.S. bases in the country looms as the result of the ouster of Soviet President Mikhail Gorbachev, a strong ally of the U.S. and the takeover of the Soviet government by a committee of Communist hardliners in Moscow.

Executive Secretary Franklin Drilon said the proposed Treaty of Friendship, Cooperation, and Security, providing a 10-year extension of the bases' stay for an annual bases-related compensation of $203 million, is due to be initialled this week by representatives of the Philippines and the U.S.

But he admitted that the implications on the bases of the leadership change in the superpower communist country will need to be discussed. He said he saw no need to call for an emergency meeting of the Cabinet Cluster "E" on security and political matters sooner than the scheduled meeting on Sept 4.

Drilon declined to comment on questions on the need to review the security arrangement in the Asia-Pacific region and to renegotiate with the U.S. on the bases, saying it was too early to comment on the possible repercussions of such event.

Malacanang appeared ready for the signing of the treaty, having published a primer and information kit on the highlights of the treaty that would replace the 1947 RP [Republic of the Philippines]-U.S. Military Bases Agreement that expires on Sept 16.

"We will be discussing this. I don't see any need for an urgent meeting of Cluster E. I don't see how it would affect the country," he said.

Some sectors had undermined the importance of the U.S. bases in the country in view of the end of the Cold War between the U.S. and the Soviet Union under the regime of Gorbachev but the change in leadership in the USSR brings uncertainty over the security of the Asia-Pacific region.

The recent development is expected to give the Philippines a bigger leverage should negotiations between the Philippines and U.S. be reopened to review the security arrangement and the role of the bases in a post-Gorbachev era

The Philippines' bargaining position weakened after the eruption of Mount Pinatubo in view of the destruction on Clark Air Base and Subic Naval Base. Pinatubo's eruption led to the decrease in the compensation directly related to the bases from the U.S. proposal of $360 million to $203 million annually for 10 years.

Press Secretary Tomas Gomez III, presidential spokesman, said that Malacanang only learned of Gorbachev's ouster from a news release of TASS, the Soviet news agency, which was signed by three communist party hardliners, citing health reasons for his replacement.

Osmena

Sen John H. Osmena called yesterday for the renegotiations of the RP-U.S. bases treaty in the light of the developments in the Soviet Union.

"The Ramos-Rusk provision can be invoked to defer for one year the bases deadline," he said.

"A new panel headed by Philippine Ambassador Emmanuel Pelaez with Senate counterparts Senators Shahani, Paterno and Herrera should be named instead of Manglapus," Osmena proposed.

Maceda]

Sen Ernesto M. Maceda called yesterday for a renegotiation of the U.S. bases in the Philippines in the wake of the ouster of Mikhail Gorbachev of the Soviet Union.

"With the present development in Russia, the wisest thing to do would be to enter into a renegotiation of the U.S. bases in the country.

"The political climate that existed during the negotiations of the bases is no longer existing. Gorbachev's ouster changes the picture and could signal the dawning of another Cold War between the superpowers. These conditions call for a renegotiation of an RP-U.S. bases agreement that would be beneficial to both countries."

Venecia

Rep Jose de Venecia Jr (LDP [Struggle of Filipino Democrats], Pangasinan) said he hoped the new leaders of the Soviet Union will not revive the Cold War and the arms race.

"Such a revival would have a bearing on the future of Subic Naval base," he said. "That is why I urged a review provision in the RP-U.S. bases treaty to anticipate precisely abnormal changes in the global situation."

He added: "I believe, however, that the situation in Eastern Europe is no longer reversible with the firm emergence there of democratic governments.

Enrile Urges Facilities Ejection

HK2008095891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Aug 91

[By Restie De Quiros of DZRH Unit No. 8]

[Text] Senate Minority Leader Juan Ponce Enrile suggested today that the U.S. military bases should no longer be given an extension after their deadline to stay expires on 16 September 1991.

According to Enrile, in the face of President Gorbachev's removal from power, the intense cold war between the United States and the Soviet Union is threatened to be revived, which in the event of a war between the two superpowers, may endanger the Philippines if the military facilities of the Americans are not ejected out of the country. Here is the statement made by Enrile:

[Begin Enrile recording] This thing that is happening to the Russians strengthens the argument that the American military facilities should really be ejected already out of the country; because should war break out between the United States and the Soviet Union, maybe the devastation we will encounter in a missile that will come from Moscow is far more severe than the Pinatubo eruption. So it is really very scary. We should not get involved in the quarrel of the two giant nations. That is my position. [end recording]

Philippine Ambassador Comments

HK2008084791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Aug 91

[Italicized portion in English]

[Text] Philippine Ambassador to Washington Emmanuel Pelaez expressed belief that the United States will no longer agree to a military bases renegotiation.

In an interview with Andy Vital, Ambassador Pelaez said that in the view of the Americans, the discussion is finished and their position will no longer change despite developments in the Soviet Union. According to Ambassador Pelaez, recent events in the Soviet Union will bolster the resolve of local rebel communists in the country to push their struggle for power. Here are excerpts of Pelaez's statements:

[Begin Pelaez recording] [passage indistinct] Our local communists here will be encouraged. *This is one of the reasons given. The communist movement has slowed down.* Which is why our peace and order situation can be affected. [end recording]

Salonga: No Renegotiation

HK2008110391 Quezon City Radyo Ng Bayan in Tagalog 1000 GMT 20 Aug 91

[Text] Senate President Jovito Salonga assured that there will be no renegotiation on the Republic of the Philippines-U.S. bases agreement. Salonga stated this after his closed-door meeting with new U.S. Ambassador to the Philippines Frank Wisner. Salonga said Wisner confirmed that the treaty on the military bases will be signed within the next two days.

[Begin Salonga recording in English—in progress] ...that there will be a renegotiation. First because of the amount of time already spent in negotiating this treaty. Second, he does not think that there will be any substantial change, including the matter of compensation. He does not believe that there will be any change at all. [end recording]

U.S. To Leave Other Posts if Pact Rejected

HK1908060491 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 19 Aug 91

[Text] Budget Secretary Guillermo Carague has stressed that, if the new bases treaty is rejected, the Americans have to leave their facilities in the country, including the naval station in San Antonio, Zambales. Jun Pineda of Radyo ng Bayan interviewed the secretary earlier today.

[Begin Carague recording] That naval base is not a part of Subic. They will give up this base just as they gave up O'Donnel. A leave order has been issued. Actually, there were over 200 Americans in this San Antonio installation, now there are only 14 Americans left. It is almost abandoned now, and they are really removing their personnel's belongings. [end recording]

Manglapus Advocates Strengthening of Security

HK2008084891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Aug 91

[By Rey Arquiza—italicized portion in English]

[Text] Foreign Affairs Secretary Raul Manglapus hinted that the Philippines needs the bases now more than ever in order to maintain security in the country following the overthrow of Soviet President Mikhail Gorbachev. Although Manglapus did not say outright that the strengthening of the country's security is linked to the U.S. bases, he stated in a brief press statement that the country needs to continue its program to strengthen its security. *Because of this uncertainty, the Philippines must remain calm but alert and continue with its program to strengthen its security,* Manglapus said. The Philippines has no program for its security and just depends on the U.S. bases against aggressor countries. What Manglapus wanted to say is that the communists in the country might exploit the trouble gripping the Soviet Union in relation to the removal of Gorbachev and his replacement by hardliners led by Vice President Genadiy Yanayev.

Rules Out Treaty Renegotiation

HK2008085091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Aug 91

[By Dick Sinchongco]

[Text] There will be no renegotiation between the Philippines and America on the proposed bases treaty. This was stressed by Foreign Affairs Secretary Raul Manglapus while saying that the initialling of the treaty will be pushed through. In an interview with Malacanang newsmen, the prime Philippine negotiator said renegotiation is no longer needed. According to Manglapus, this was what has been happening between the Philippines and the United States in the past six months. Manglapus issued the statement following a request by the senators for the Philippine Government to seek renegotiation in light of the developments in the Soviet Union—the overthrow of Mikhail Gorbachev. Manglapus said the developments in Russia will not delay the initialling of the treaty next week. The senators are asking for a renegotiation as a result of the change on the relevance of the U.S. bases in the Philippines in relation to the overthrow of Gorbachev by communist hardliners.

De Villa: Gorbachev Removal To Affect Security

HK2008103291 Manila Manila Broadcasting Company DZRH in Tagalog 0955 GMT 20 Aug 91

[By Dick Sinchongco in Malacanang]

[Text] The developments in Moscow following the ouster of Soviet leader Mikhail Gorbachev will certainly affect national security. This was stated by Defense Secretary Renato de Villa in his assessment of the insurgency problem in the Philippines. However, he stressed that it is still too early to determine the effect of the Moscow developments on national security. De Villa is expecting a reaction by the communists in different parts of the world on the takeover of hardliners who ousted Gorbachev. De Villa also said it is certain that the pro-democracy forces will likewise issue a reaction.

Meanwhile, President Aquino ignored Vice President Salvador Laurel's accusation. Malacanang is mum and is not releasing any statement in response to the accusation by Laurel that the ruling party is planning to amend the Constitution to change the government system.

Malacanang Starts Campaign To Ratify Treaty

HK2008091491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Aug 91

[By Fernan Imberga, DZRH Unit 22—italicized portions in English]

[Text] A nationwide campaign for the ratification of the new treaty on the American bases will be launched by members of the Municipal Mayor's League of the Philippines, the Armed Forces of the Philippines [AFP], Philippine National Police, and other government agencies to pressure and persuade the Senate to ratify the new agreement on the military bases. This was reported by the Municipal Mayor's League president, Renato Reyes, who is also mayor of Bongabong, Oriental Mindoro, after he was called to Malacanang yesterday together with Defense Secretary Renato de Villa and AFP Chief of Staff General Lisandro Abadia, and other officials of different agencies of the Aquino government for a meeting to find out ways to promote the ratification of the new treaty. Reyes said a nationwide information campaign will be launched after President Aquino announces the importance of the ratification of the new treaty on the military bases of the United States in the country.

Meanwhile, in reaction to the ouster of Soviet President Mikhail Gorbachev and the takeover of Vice President Gennadiy Yanayev, Reyes suggested renegotiation for the retention of the military bases of the U.S. and letting the Philippine negotiator take advantage by asking for an increase in quotas of sugar, corn, coconut oil, and other prime products of the Philippines exported to the U.S.

[Begin Reyes recording in progress] ...that is their answer to us. This thing on Gorbachev has created a twist, we don't know if they like renegotiation. So in the renegotiation we have so many things that we can put there *which were not embodied in this to-be-ratified treaty. So for example, increase the sugar quota* we don't have that. Our oil *which is just little, and also our employment in America;* we need protection for the Filipinos—we don't have that in the treaty. *So that is one thing that Manglapus missed.* [end recording]

Aquino To Speak to Senators on Ratification

HK1908122691 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 19 Aug 91

[By Tanny Rodriguez]

[Text] On the military bases issue, President Aquino has announced that it may be better for her to talk to senators individually in order to have the new military bases agreement ratified.

The president made this statement to the Malacanang press, in relation to her discussion with the new U.S. Ambassador to the Philippines, Frank Wisner, who presented his credentials to Malacanang.

It can be known that the Senate has not completely decided on whether to reject or ratify the new bases agreement due to certain issues which they would like to have clarified.

Wisner, in an interview with the press, said that he will try his best to explain to the Filipino people and senators that the ratification of the treaty will be for the good of both countries, even as he also warned that it will be a matter of great regret if the treaty is not ratified.

Philippine Commanders To Take Command of Bases

HK2008035991 Manila BUSINESS WORLD in English 20 Aug 91 p 12

[By Maricar Bautista]

[Text] Filipino commanders will take over the command of two United States facilities in the Philippines starting today.

The Armed Forces of the Philippines (AFP) announced that at 9 a.m. today, Philippine Navy flag-officer-in-command Rear Admiral Mariano J. Dumancas will take over the command of Subic Naval Base from U.S. Navy Rear Admiral Thomas Mercer, Subic facility commander.

Similarly, Clark Air Base facility commander U.S. Air Force Maj. Gen. William Studer will turn over the command of Clark to Philippine Air Force chief Maj. Gen. Loven C. Abadia.

Military officials said the scheduled turnover is in preparation for the eventual withdrawal of American forces in the country.

AFP chief Lisandro C. Abadia and other high-ranking military officials will lead the rites today in Camp Aguinaldo.

The same officials, however, refused to reveal how the new setup will affect the operations of the two bases.

In the past, the highest-ranking AFP officer in the bases were the base commanders. The base commander for Subic is Brig. Gen. Artemio Tadiar and for Clark, Brig. Gen. Leopoldo Acot.

The 1979 Military Bases Agreement, which amended provisions of the Serrano-Bolhen accord, mandated that "base commanders" for both bases must be Filipinos.

The same agreement also reduced the area set aside for the use of American military forces in Clark to 3,760 hectares from 53,036 hectares and in Subic to 6,303 hectares from 14,800 hectares.

These areas are classified "restricted" to Filipino officials.

The Filipino base commander is merely tasked with overseeing perimeter security and defense operations.

On the other hand, the facility commander has control over all military infrastructure in Clark and Subic.

Also in the past, the actual military inventory in the two installations was in the full control of U.S. military commanders.

Employees' Federation To Hold Support Rally

HK2008045791 Manila MANILA BULLETIN in English 20 Aug 91 pp 1, 16

[By Cesar de la Tore]

[Text] Olongapo City—About 60,000 people, supporting the RP [Republic of the Philippines]-U.S. base treaty, will march to the Senate at the Executive House (old Congress building) on P. Burgos St. in Manila tomorrow, Wednesday, to press their demand for the ratification of the new treaty, Roberto Flores, president of the Federation of Filipinos Civilians Employes' Associations, said yesterday.

(As this developed, the final draft of the RP-U.S. base treaty will be initialed today by Foreign Affairs Undersecretary Pablo Suarez and Thomas Hubbard, U.S. deputy chief of mission.)

On the pro-base rally, sources said the demonstrators will come from La Union, Pampanga, Tarlac, Bataan, and Zambales and the cities of Angeles, Baguio, and Olongapo.

Flores said various groups will meet today, Tuesday, in Quezon City where it will encamp for the evening and walk by foot to the Senate building on Wednesday morning.

The groups include local officials, small and big traders, vendors, barbers, housewives, and common people representing over 2-million people depending on the U.S. facilities for their livelihood, Flores said.

He said, "The antibase senators are trying to poison the minds of the people that communities around the base will be better off economically if the bases are dismantled. But they cannot even guarantee jobs for 4,000 workers at Clark Air Base."

Flores said: "The truth is they are only saying Subic base will be converted into a large commercial ship repair facility through higher taxes to finance its conversion. That was embodied in the Legislative-Executive Bases Council resolution which some of the antibase senators and I signed."

"We had approved in that defunct council a grandiose plan for the conversion of the base into a very liable commercial complex where foreign and local investors will put up an estimated $10-billion business and absorb all the base employes who will be affected.

"But with the eruptions of Mt. Pinatubo last June 15, the targeted investors had prepared to stake their money elsewhere, making the alternative plans and the council invalid."

He said "the antibase senators have a very short memory." He pointed to the Sangley Point Naval Base in Cavite where the government said it would be a show window of commerce and industry by building commercial complexes and would hire more people than what the former base had employed.

"The economy of Sangley Point since the US pulled out has critically plummeted and has not been the same again as when the base was there," Flores said.

In Manila, the probase demonstrators will be backed by the Trade Union Council of the Philippines, Flores said. He said local officials in the Visayas and Mindanao assured him of their support for the continued stay of the U.S. naval facility in Subic.

If it is badly needed by the pro-base rallyists, labor union and local officials will stage their own rallies in front of the Senate building, Flores said.

U.S. assistance to the Philippines form 1985 to 1989 reached $1.853 billion, and the U.S. pledge for the same period was only $900 million or $953.2 million.

Taiwan Delegates Arrive for Talks With Senators

HK1908082891 Manila MANILA BULLETIN in English 18 Aug 91 p 17

[By R. De Guzman]

[Text] Ninoy Aquino International Airport—A delegation from Taiwan arrived the other day at the Ninoy Aquino International Airport (NAIA) for a four-day familiarization tour of the country and to hold informal talks with Senate members and possibly President Aquino.

Liu Ta-Jen, representative from the Taiwan economic and cultural office in the Philippines, said the group is led by Sung Pan Lin, vice-president of Taiwan's Legislative Yuan, counter director; Cheng-i Huna, Lee Shen Fong, Legislators; Huo Tsu-Hsiang, secretary and a business leader, Lim Hang Dow.

Lin said his group will pay courtesy calls on Senate President Jovito Salonga and members of the Senate as well as President Aquino, if possible.

The group will also hold informal talks with these officials on labor and issues on fisheries and other concerns.

Speaking through Representative Liu, Lin said he looked forward to meeting his "old friends in the Philippines."

The group was met at the airport by Sen. Joseph Estrada who was assigned to be the official representative of the Senate.

Another Chinese official, the former Taiwan defense minister Chen Wei Yuen arrived at the NAIA for a three-day private visit.

Chen, who is currently senior adviser on military affairs of Taiwan, said he is here on a business trip as guest of George Ty of a big commercial bank.

Congressman Asserts No One-China Policy Breach

HK1908131791 Quezon City Radyo ng Bayan in Tagalog 1200 GMT 19 Aug 91

[Italicized portion in English]

[Text] A member of Congress clarified today that the RP [Republic of the Philippines]-Taiwan Fisheries Agreement is not a breach of the one-China policy. Congressman Jose De Venecia, chairman of the House committee on foreign affairs, said that it was no longer considered an agreement by Malacanang and explained that it was just made into a record of discussion and, thus, it should be acceptable to the People's Republic of China.

[Begin De Venecia recording] *I think that the Philippines is not violating the one-China policy, precisely because Malacanang has taken steps not to formalize the treaty, the fisheries agreement between the Philippines and Taiwan, at the highest official level. As a matter of fact, Malacanang has taken the position that the understanding is only a record of the minutes of understanding between Taiwan and the Philippines. And that the Philippines, in order to accomodate Taiwanese vessels, is now providing a passage for these vessels in the northern straits of the Philippines, north of Aparri.* Which is why, I suppose, this can be accepted by the People's Republic of China, as the fisheries agreement which was signed in Taiwan between the Philippines and Taiwan has already been downgraded. [end recording]

Brunei Sultan Cancels Tour Due to Foul Weather

HK1808084491 Hong Kong AFP in English 0826 GMT 18 Aug 91

[Text] Corregidor, Philippines, Aug 18 (AFP)—Unrelenting rain has spoiled Brunei Sultan Hassanal Bolkiah's state visit to the Philippines, forcing him to cancel two weekend provincial tours, spokesmen for his entourage said Sunday.

His scheduled visit to this island, a former World War II fortress at the mouth of Manila Bay was called off at the last minute because heavy rain prevented his helicopter from taking off, the spokesmen said.

A Philippine Navy patrol craft had ferried Filipino journalists and Brunei Information Ministry staff through choppy waters to the island to cover the visit, but they returned to Manila empty-handed.

The sultan, who arrived in the Philippines on Friday and had talks with President Corazon Aquino, had to cancel a trip to the northern mountain resort of Baguio on Saturday because of heavy rain.

He was scheduled to visit the Philippine Military Academy in Baguio.

Sultan Bolkiah salvaged what is left of his four-day visit by meeting a group of Philippine-based Brunei subjects, spokesmen said. He is scheduled to return home Monday.

Departs, Notes Need for Aid

HK1908064391 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 19 Aug 91

[Text] Visiting Sultan of Brunei Hadji Hassanal Bolkiah believes the Philippines needs more financial aid in view of the various calamities which the country has experienced. The sultan left this morning after a four-day visit to the Philippines. President Aquino headed the farewell ceremony for Bolkiah and his group at the Ninoy Aquino International Airport.

Even though no formal agreement was signed during his visit, the sultan of Brunei personally promised that he will help in the Philippines' economic recovery program.

Release of Detained Rebel Soldiers Possible

HK1708050391 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0420 GMT 17 Aug 91

[Text] Executive Secretary Franklin Drilon has said that the possibility of the government releasing some detained rebel soldiers is under study. The secretary explained that this step aims to pave the way for peace talks between the government and the rebel soldiers. Drilon added he will discuss this action with General Lisandro Abadia, the Armed Forces of the Philippines chief of staff. He said he has to know the implications this action holds for national security. It was reported earlier that a revolutionary armed movement spokesman proposed that an amnesty be granted to the detained rebel soldiers as a condition for a dialogue with the government. The spokesman said that, in doing this, the government has proven the sincerity of its efforts for genuine reconciliation.

Police Claim Communists Weakening in Laguna

HK1708030791 Quezon City Radyo ng Bayan in Tagalog 0200 GMT 17 Aug 91

[Text] The Philippine National Police [PNP] disclosed that the communist rebels in Laguna have already weakened. According to the PNP, the New People's Army [NPA] will find it hard to regain its strength due to the successive killings of its rebel leaders in the past month. The PNP also reported that the NPA's campaign to strengthen its ranks has failed. It was said that more youths in Laguna are cooperating with the authorities rather than joining the NPA.

Commissioner Warns Against Disrupting Elections

HK1708030691 Quezon City Radyo ng Bayan in Tagalog 0200 GMT 17 Aug 91

[Text] Commission on Elections Chairman Christian Monsod warned rebels against disrupting the elections next year. Monsod said that he cannot permit the rebels to carry out their threat to sow terror in the upcoming elections. At the same time, Monsod said that the Commission on Elections is already preparing for the elections and it is only waiting for funds from the government. He also said that the commission needs 900 million Philippine pesos in order to carry out all its responsibilities in the upcoming elections

Muslim Rebels Not To Participate in Elections

HK1908034791 Manila PHILIPPINE DAILY INQUIRER in English 19 Aug 91 p 6

[By Carol Arguillas]

[Text] Zamboanga City—The Moro National Liberation Front (MNLF) will not field candidates, or participate, in next year's elections contrary to the announcement of Armed Forces chief Gen. Lisandro Abadia, a spokesman here said.

"That is not true. Why will we participate in the elections when we reject the constitutional processes? Maybe those who are participating are members who have surrendered. They are not considered MNLF," spokesman Ustadz Sharif Zain Jali told the INQUIRER.

Abadia told reporters Friday the MNLF is planning to field its own candidate in next year's polls and that field commanders were reportedly directed to "consolidate their forces" in preparation for the elections.

"It is a positive sign that the movement has recognized the authority of the central government," Abadia said. He added that "their present efforts have shifted to peaceful means of bringing change to Mindanao."

Jali, however, disputed Abadia's statements, saying:

"The MNLF is becoming better than before. Members are really scrutinized now. They have become more religious. The whole system is no good. Zero na sa amin ang credibility ng Malacanang," [Malacanang Credibility is Zero to us] Jali added.

Thailand

Police Transferred After Incident With Attache

BK1908020291 Bangkok BANGKOK POST in English 19 Aug 91 p 1

[Text] A ranking tourist police officer in Phatthaya and his deputy were transferred from the city last week for allegedly manhandling a US naval attache and a US Embassy official during a shore visit by American sailors.

The two officers, Pol [police] Maj Sukit Phakdidinden, inspector of the 5th section of the 8th sub-division of Crime Suppression Division, and Pol Cpt Phisit Charoenying, deputy inspector of the same section, were transferred to reserve posts at the Central Investigation Bureau while alleged gross violations of discipline are investigated.

Police Department spokesman Pol Lt-Gen Chaloem Rotchanapradit said yesterday the two police officers led a group of 40 policemen and civilians to tour the Nimitz aircraft carrier when it dropped anchor in Phatthaya Bay on July 27.

The two officers showed inappropriate manners and discontent when naval officials refused to open the commissary to sell them goods. The group returned ashore empty-handed.

Around 9 p.m., Pol Maj Sukit led a police team to the US Navy joint security command post along Beach Road and allegedly castigated Chin Insathitkun, a coordinating officer of the US Embassy, Pol Lt-Gen Chaloem said.

The policemen also allegedly dismantled a tent of the command post and chased away a US naval attache who tried to park his car on the beach road, he said, adding Pol Maj Sukit refused to cooperate with US officials and arbitrarily withdrew his men from the joint security command post.

Street vendors in Phatthaya said they have been buying souvenirs such as naval caps, jackets and lighters off visiting US warships from the city and tourist police who bought them in large numbers from the battleships for resale.

When the Nimitz anchored off Phatthaya, officer caps bearing the emblem of the carrier were selling for 600 baht.

Officials Comment on Gorbachev's Overthrow

BK2008015591 Bangkok BANGKOK POST in English 20 Aug 91 p 3

[Text] Foreign Minister Asa Sarasin called on the public to keep calm in the wake of Mikhail Gorbachev's overthrow as president of the Soviet Union yesterday. He said the move "did not spell the end of the world."

He also said the Government hoped the Soviet Union would continue the constructive role played by Mr Gorbachev during his six years in power.

Mr Asa said the departure of Mr Gorbachev would have no bearing on the coming meeting of the Cambodian Supreme National Council and its attempt to resolve the Cambodian conflict.

The meeting is scheduled to take place next week in Phatthaya.

Thailand regards the event, which has been described as a coup, as an "internal problem" affair of the Soviet Union, Mr Asa said.

Although not directly affected, Thailand will monitor developments closely because of the Soviet Union's stature as a world superpower.

We hope that whoever is taking control will continue to play a constructive role through the continuation of policies implemented by Gorbachev, as they were positive to the world as a whole," he said.

Mr Asa said he did not think the changes would have an impact on rapprochement between Moscow and Beijing.

Prime Minister Anan Panyarachun reacted yesterday by saying he had not yet received an official report from the Foreign Ministry.

"But apparently there have been some changes that may have a considerable effect in the Soviet Union," Mr Anan said.

The Prime Minister said he could not offer an opinion on the effects of the political changes. "The changes are an internal problem of the Soviet Union."

But there may be an initial impact, he conceded.

Mr Anan said he did not think the changes would lead to a return to the pre-Gorbachev line.

"There have been some basic social changes," he said.

He said changes in each country depended on the level of development and timing.

"Sometimes rapid changes or the lack of support at a certain stage can cause hiccups."

Mr Anan said he hoped there was little long-term effect resulting from the change.

"Thailand is a small country. It is the United States which will have to worry most about the changes."

National Economic and Social Developement Board Chairman Amnuai Wirawan said the long-term repercussions of the political changes in the Soviet Union would depend on the policies adopted by the new leadership and the response from the United States.

Dr Amnuai said he expected a "short-term" impact as a result of the changes.

He said it was necessary to examine whether the political changes would cause a halt in the world economy or have an impact on the world financial markets.

Dr Amnuai said he did not think the changes would result in a revision of policies initiated by Mr Gorbachev.

Meanwhile, a Soviet trade mission which arrived here on Sunday will continue its visit as planned.

The mission was invited by the Foreign Ministry for a study tour and to participate in a seminar entitled "Prospects and Opportunities for Trade and Investment in the Soviet Union."

The seminar is schedueld for Friday [23 Aug] at the Princess Hotel moderated by Thai Ambassador to Moscow Kasit Phirom.

Anan Comments on Situation

BK2008084991 Bangkok Radio Thailand Network in Thai 0530 GMT 20 Aug 91

[Text] While the world community was stunned by the current political change in the Soviet Union, thousands of people staged a protest against the group that seized the country's administrative power. Thailand is also keeping an eye on the situation very closely, particularly on possible changes in major policies. Prime Minister Anan Panyrachun remarked on the issue to reporters at the Government House this morning.

[Begin recording] [Anan] It is the matter of the super powers or big countries that have close relations with the Soviet Union. Thailand is situated far away from the Soviet Union. We will have to keep an eye on the developments in the Soviet internal change as to any changes in policies, the degree of the changes, and what they will lead to.

[Reporter] Do you think it will affect our efforts to solve the Cambodian problem?

[Anan] At this stage, we certainly could not make an assessment of the situation. For one reason, we still do not know how long the new government will be in full power. For another reason, we do not know if there will be any changes in policy. In my opinion, there will not be much change in major policies. What is most important for us now is to closely follow up on the developments of the situation in the Soviet Union.

[Reporter] Will the government hold consultations with other ASEAN member countries on the matter? If so, how will these be conducted?

[Anan] At the moment, ASEAN countries will exchange information with each other, but should not have to hold a meeting yet.

[Reporter] What about the developments concerning Camranh Bay? How do we keep track of events?

[Anan] That is a newspaper report about which I have not been officially informed. I do not think it will develop into a serious incident.

[Reporter] Do you think the change in the Soviet Union will have any impact on Thailand's economy and bilateral relations with the Soviet Union?

[Anan] I think it is a bit too early to assess this kind of situation. We should watch developments for three or four more days. At this stage, I think, everyone is worried as to in which direction the Soviet Union will be heading. There are normally such worries among the peoples when there are changes in a super power.

[Reporter] Regarding the economic impact, a large amount of dollars were literally dumped into the market for sale yesterday. How about the monetary situation in our country?

[Anan] That is a normal reaction all over the world. Whenever such political incident occurs, people panic in the early stages. However, I hope the situation will return to normal soon. [End recording]

Uncertainty Shrouds Cambodia; ASEAN Cautious

BK2008021191 Bangkok THE NATION in English 20 Aug 91 pp A1, A2

[Excerpts] The ouster of President Mikhail Gorbachev in the Soviet Union yesterday raised concerns in Southeast Asia about the coup's possible repercussions on Vietnam's stance on the Cambodian issue and on the debate over the US military presence in the Philippines.

ASEAN governments, including Thai leaders, yesterday reacted cautiously to the coup, which was apparently engineered by hardliners and the military in the Soviet leadership, while anxiously monitoring new developments. [passage omitted]

A Foreign Ministry official, meanwhile, said he personally believed that Moscow would not encourage Hanoi to return to its old hardline position on Cambodia.

"I believe it's impossible for Hanoi to send its troops back to Cambodia as a result of the political upheaval in Moscow. The new Soviet leadership will probably take on some of Gorbachev's initiatives, which were taken to lessen Moscow's (financial) burden," commented the official, who asked not to be named.

He added that he thought it was hardly possible for the coup leaders to return "100 percent" to the days before Gorbachev.

Envoys from Indochinese countries yesterday gave cautious comments on the Soviet coup.

Laotian Ambassador Bounkeut Sangsomsak said the incident would not have impact on the current political and economic transformation of Eastern Europe, and added that the change was apparently an internal problem for the Soviet Union.

Vietnamese ambassador Nguyen Trung expressed hope that the change of power in the Soviet Union would not have an impact on the "outside environment".

Cambodian guerrillas, meanwhile, voiced concern that Gorbachev's ouster could set back efforts to negotiate a peace settlement with the Moscow-backed government in Phnom Penh.

A Bangkok-based spokeswoman for the guerrilla faction loyal to Prince Norodom Sihanouk said the change might encourage Vietnam, Phnom Penh's closest ally, to be less flexible in its bargaining.

"We're a bit afraid that this will have some impact on Vietnam if the hardliners come through again," said the spokeswoman. [passage omitted)

Japanese Noncommittal on ASEAN Trade Zone

BK1808092091 Bangkok THE NATION in English 18 Aug 91 p A4

[By Oranut Anusaksathian]

[Text] Japan remains non-committal to the proposed establishment of the ASEAN Free Trade Zone which was suggested by Prime Minister Anan Panyarachun as a means to strengthen the group's economic cooperation by dismantling trade barriers among the six member countries.

Nor did it express any support for Malaysia's East Asian Economic Grouping in which Kuala Lumpur expects Japan to be the driving force.

Japan's Minister of International Trade and Industry [MITI] Eiichi Nakao on Friday reaffirmed his government's position to support the Asia Pacific Economic Cooperation (APEC) which groups together the six ASEAN countries, the United States, Canada, Australia, New Zealand, South Korea and Japan, as a more appropriate forum for countries in the region to jointly promote trade and investment.

During the press conference on Friday evening evening and later at an interview with THE NATION, Nakao reiterated that Japan would explore the two new forums only when there were clear proposals from the ASEAN counter parts. Now that the two proposals are being discussed internally within the group of ASEAN—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—Japan is not in a position to respond, he said.

"We would like to wait until the consideration by ASEAN is over before we study them," he added.

Nevertheless, the minister expressed his understanding for Malaysia to come up with the proposed grouping in the face of the threat of more inward looking sentiments in North America and the European Community where separate common markets are being formed to stimulate trade and investment within the member countries.

According to Nakao, the proposed ASEAN Free Trade Zone was a subject of lengthy discussion between him and Prime Minister Anan when they met in the morning for about an hour. The matter was later picked up his counterpart Commerce Minister Amaret Sila-on.

Japanese officials said it was the first time their minister had received information about the ASEAN free trade zone which Anan proposed as a means to enhance economic cooperation between the six ASEAN nations.

A Japanese official described Japan's response to these regional groupings as "just a possibility" while APEC, in existence for already three years has more solid ground to work on.

But both sides managed to agree that the principle of free trade had to be upheld. As the Uruguay Round of multilateral trade talks is at its crucial juncture, Thailand and Japan should continue their efforts to ensure a successful conclusion of the round.

Japan Announces Antipollution Aid Plan

BK1708035091 Bangkok THE NATION in English 17 Aug 91 p A2

[Text] Japan's powerful Ministry of International Trade and Industry (MITI) yesterday officially unveiled an initiative to fight industrial pollution in Thailand with a planed budget of 750 million yen for its 1992 fiscal year, which starts in April next year.

Thailand has been chosen as the first country eligible for assistance under the initiative, known as the "green aid" plan, which aims principally to reduce sulfur dioxide emissions by coal-fired power plants, to improve efficient use of energy resources and to develop technology for utilization of clean energy resources.

In Thailand, where water pollution is equally acute, Japan plans to launch its first programme on waste-water treatment. Talks are already underway between MITI and the Thai Industry Ministry and Ministry of Science, Technology and Energy to create joint research works on the development of treatment facilities in Thailand for industrial waste-water, according to MITI Minister Eiichi Nakao. He was talking to reporters at a press conference yesterday evening. Nakao is in Thailand until Sunday for an official visit, the first by an MITI minister in four years.

China, according to Japanese officials, is also likely to be scelected as a recipient country of the green aid due to severity of industrial pollution and its rapid economic growth, the same criteria as that used for Thailand.

It is believed that the inclusion of Beijing in the programme was raised during the recent visit of Japan's Prime Minister Toshiki Kaifu to China.

According to Japanese officials, MITI is preparing to submit a request to the Japanese Finance Ministry to double the overseas development assistance (ODA) which comprises soft-loans, grant aid and technical assistance for environmental purposes from the present 750 million yen to 1.5 billion yen in the next fiscal year.

Although Nakao himself did not mention any specific figure during the press conference and later in an interview with THE NATION, a Japanese official said it would be understandable that the increased budget will be used for the green aid programme which will be implemented in the next fiscal year. MITI, according to the official, will have to submit the request by October.

Environmental projects in Thailand will be coordinated by the Japan External Trade Relatons Organization (JETRO) in Bangkok where an energy and environmental technology centre will be established soon. The reimbursement of the budget will be overseen by the local office of its Overseas Economic Development Fund (OECF) which is responsible for channelling low-interest loans extended by Tokyo under its ODA programme.

Nakao disputed an argument that the programme was launched to counter growing criticism from the international community about Japan's role in accelerating environmental destruction, such as its involvement in logging in developing countries.

He noted that Japan has learnt from its own experience about the cost of restoring its environment and wanted to share its experience with developing countries.

Under the aid programme, Japan will also hold periodic policy dialogues with its Thai counterpart to jointly identify problems in regards to industrial pollution. The first policy dialogue, according to a Thai Government source who works with Japanese officials on the programme, will be held in Bangkok in December.

—The Commerce Ministry yesterday called on MITI to promote bilateral trade relations by supporting medium- and small-scale Japanese companies to invest in Thailand as a means to substitute imports from Japan and hence improve the trade balance.

Speaking after a meeting with Nako, Commerce Minister Amaret Sila-on said he also urged his counterpart to consider a proposal to open the Japanese market wider to the imports of Thai agricultural produce such as canned pineapple or tapioca, presently facing an import tariff of between 25-30 percent aside from quota barriers.

Aid Pointless Unless Laws Enforced

BK1708044091 Bangkok THE NATION in English 17 Aug 91 p A8

[Editorial: "Help Ourselves While Accepting 'Green Aid'"]

[Text] To Japanese Prime Minister Toshiki Kaifu, the much-talked about new world order must include sound environmental protection so that people everywhere can live safely and in dignity to enjoy peace, prosperity, freedom, human rights and democracy.

As part of Tokyo's policy to play a larger global role commensurate with its enormous wealth and economic influence, Japan will actively help developing countries tackle environmental problems and reconcile development and environmental protection.

This is a welcome policy initiative which all other rich, developed countries should emulate.

Japan's Ministry of International Trade and Industry (MITI) has chosen Thailand as a "model country" to launch the Japanese "green aid plan." A team of MITI officials, led by Minister Eiichi Nakao, is in Bangkok this week to meet with Prime Minister Anan Panyarachun and other ministers. The two sides will jointly design programmes to help Thailand tackle industrial pollution problems and formulate pollution control measures to protect the environment.

Ideal Choice Thailand is an ideal choice for several reasons: Japanese invstment constitutes about 60 percent of all the foreign investment in this country; Japan is the single largest trading partner of Thailand; Japanese cars and trucks, imported or assembled locally by Japanese-Thai joint venture firms, form a large majority of all the vehicles on Thai roads; and last year 650,000 Japanese visited Thailand, acounting for about 12.5 percent of all the tourists coming here.

Thailand's double-digit rate of economic growth in recent years, fueled partly by Japanese investment and Thai exports to Japan, has continued to aggravate environmental degradation. Water pollution, air pollution and illegal dumping of industrial wastes have worsened in many industrial areas.

In recent years, public awareness of the multitude of environmental problems in Thailand has been increasing. And Prime Minister Anan Panyarachun correctly pointed out the other day that the credit for raising the awareness must go to conservation groups and other non-governmental organizations that have monitored the environmental degradation and sounded the alarm.

Past governments did take note of the worsening situation and politicians in power gave a great deal of lip service to environmental problems. But not much else was done. Most of the politicians had close connections with big businesses who were in many cases the shameless culprits.

Only during the Chatchai administration did it dawn on the Thai officialdom that most of the existing laws for environmental protection and pollution control were too disorganized and scattered. Still worse they were hardly enforced by the police and administrative authorities. Even the National Environmental Board [NEB] was virtually powerless to see to it that all the policies it helped to formulate were properly carried out and polluters promptly punished.

Politicians, NEB officials and economic development planners began to talk about establishing a ministry of environment to gather all the agencies dealing with the environment in the new bureaucratic body. The idea has gained momentum in the Anan administration but so far it is still far from coming to fruition, because Prime Minister Anan has a policy to limit the growth of the bloated bureaucracy.

Responsibility Before Thailand gleefully accepts the Japanese "green aid," the Anan administration must first demonstrate political will to enforce all the existing environmental protection laws and punish all violators without fear or favour. Japan can only provide us with money and technology, train Thai personnel in environmental protection and pollution control, build waste treatment plants, etc. But it is Thailand's responsibility to stop and punish polluters and prevent new violations.

The Anan administration must show that Thailand is ready and capable of handling this responsibility. Thailand must help itself first otherwise the valuable Japanese "green aid" will come to naught.

Aid Requests Shifting to Better Terms

BK1808091091 Bangkok THE NATION in English 18 Aug 91 p A1, A2

[By Thana Phuphat]

[Text] Thailand, which has been receiving foreign aid for the past four decades, is shifting emphasis to seek more favourable trade terms from its benefactors rather than solicit more of the traditional assistance, a senior government official said.

PM's Office Minister, M.R. Kasem S. Kasemsi told THE NATION in an interview that the country's needs have changed from basic programmes like rural development to more sophisticated ones particularly those involving transfer of high technology.

M.R. Kasem, who oversees the Department of Technical and Economic Cooperation (DTEC), said Thailand's rapid economic growth over the years had led some traditional donors to conclude that the country no longer needed as much help and therefore were cutting back on assistance.

"Some donor countries seem to be saying now you have to pay your way (in the national development)," the minister said. "Of course we want to pay our way. But don't cut our trade opportunities—our ability to earn."

He said Thailand, with its export-oriented economy, had arrived at a stage where it needed high technology to remain competitive in the world market and therefore was struggling to acquire that through international assistance as well as foreign investment.

"Thailand would prefer more investment and wider market access in countries like Japan, the United States and the European countries to receiving more assistance from them," M.R. Kasem said.

The minister noted that Thailand had succeeded in acquiring high technology in industries like textiles, fisheries and food processing through foreign investment. But he said foreign investors were still reluctant to pass on technology in other fields.

"We need trade more than assistance because only when we prosper through trade will we be able to buy new technology," M.R., Kasem said.

The minister said grants and long-term loans with low interests were still important to Thailand. Due to its economic advancement, Thailand was losing its entitlement to grants, which had contributed significantly in its economic development over the past decades, he said.

According to DTEC, Thailand is expected to receive an equivalent of Bt [baht] 8.8 billion in foreign assistance in the next fiscal year compared with Bt8.2 billion this year. The country got Bt5.1 billion worth of aid five years ago.

Japan contributed 8 per cent, or an equivalent of Bt3.7 billion, of the total international assistance Thailand is receiving this year. Other donors are the United Nations which provides 8 per cent of aid, Australia 7.6 per cent, Germany 7.6 per cent, the United States 7 per cent, Canada 1.2 per cent, Britain 1.1 per cent and the European Community 1 per cent.

The volume of international assistance given to Thailand in various categories reflects Thailand's needs as well as its attainment in self-sufficiency.

For intance, Thailand has been successful in its public health and primary education thus aid for health dropped from 16 per cent of the total assistance in 1986 to only 1.8 per cent in 1990 and assistance for health from 26 per cent five years ago to 8 per cent this year.

Community and social development from 13 per cent in 1986 to 20 per cent this year, environment protection from 0.8 to 2.4 per cent, Science and Technology 2 to 2.2 percent, administration from 10.7 to 29.2 per cent, and agriculture from 15.9 to 11.1 per cent.

Economists, Businessmen Support AFTA Proposal

BK1908023491 Bangkok BANGKOK POST in English 19 Aug 91 p 17

[Text] Prime Minister Anan Panyarachun's initiative to establish an ASEAN free trade agreement (AFTA) has been supported by economists and the private sector.

Participants at a seminar on trade blocs last week urged the government to closely monitor the development of other regional economic groups, particularly the 1992 single European market and the North American free trade agreement, which could adversely affect trade and investment in Thailand.

To tackle the threat from trade blocs, the government should also remove trade and investment obstacles to help Thai exports retain their comparative advantage in the world market, they said.

Panelists at the seminar organised by the Foreign Ministry agreed the failure of the Uruguay Round of the General Agreement on Tariffs and Trade talks last year had ushered in a new era of close intraregional economic ties.

Although there was a degree of confusion as to whether the emergence of the trade blocs would have a positive or negative impact on Thailand, it was likely Thaid exports would lose some competitiveness.

Success in developing the single European Community market had prompted other groups, particularly the European Free Trade Area [EFTA], to express interest in joining with the EC to set up a European Economic Area (EEA).

Department of ASEAN Affairs Commerce and Industry Division Director Sananchat Thewahatsin said although not all European countries could be easily integrated into a free trade areas in the short term, it was likely the EC would favour EFTA and other eastern European countries with trading privileges.

The rest of the world was now watching carefully in the fear it would be shut out of a possible "fortress Europe".

A key issue now given close scrutiny was whether or not the 279 directives given to EC member states to eliminate trade barriers—in areas ranging from food regulations to accountancy qualifications—would cause serious harm to Thai exports.

Thailand Board of Trade executive director Prayun Talengsi said the single European market could benefit Thailand in the longerm because the market would grow, but Thai exporters who did not adjust quickly would be "hard hit".

Business Economic Department international trade expert Wanida Sakkankoson said the North American free trade agreement would help Mexico emerge as a major rival for Thailand in the US and Canadian markets.

"The US may gradually reduce its imports from Thailand, because Mexico will became a major supplier in the near future," Ms Wanida said.

Thailand Development Research Institute executive board member Narongchai Akharaserani was confident the best way for Thailand to tackle changes in the world economic environment was to strengthen relations between the six ASEAN nations.

"Asia Pacific Economic Cooperation (APEC) is likely to be only a trade and investment consultative forum for ASEAN, the US, Canada, Japan, South Korea, Australia and New Zealand, while the East Asia Economic Grouping (EAEG) concept was not accepted by some potential members,' Dr Narongchai said.

"So ASEAN countries should turn to strengthen themselves," he said.

Dr Narongchai said rapid change in the world economy had created an opportunity to establish an AFTA.

Although development of intra-ASEAN economic programmes, such as the ASEAN Industrial Joint Venture (AIJV) and the Preferential Tariff Arrangement (PTA), had been slow in the past, all ASEAN countries had now agreed to intensify the programmes.

"The AFTA will make ASEAN a strong economic grouping and have bargaining power to compete with other regional economic groupings," he said.

The seminar was told the government should also work on its economic policies to improve the Thai manufacturing sector's ability to compete in the world market.

SRV Minister To Brief Asa on PRC Talks

BK1608034591 Bangkok THE NATION in English 16 Aug 91 p A2

[Text] Vietnam's Vice Minister for Foreign Affairs Nguyen Dy Nien will call on Foreign Minister Asa Sarasin this morning to brief him on the outcome of the recent Sino-Vietnamese talks in Beijing.

Nien arrived here last night from China where he met his counterpart Xu Dunxin from Aug 8-10. The two countries have been holding several rounds of secret and open discussions on the full normalization of their bilateral ties since last year and the political settlement of the 12-year-old Cambodian conflict was believed one of the pre-conditions for the restoration of full normal contact.

Asa said yesterday that Nien will meet him this morning to brief him on the meeting. He said he was earlier briefed by the Chinese Embassy here on the bilateral talks, which "turned out to be very positive."

There was widespread fear that the two socialist giants might have come up with a "red solution" on the Cambodian issue wishing to see the war-torn nation pursue socialism. But Asa said he did not believe that Vietnam and China would agree to that scenario.

"I do not believe that just because China and Vietnam happend to be socialist countries they will work out the so called red solution making future (Cambodian) leaders again be socialist," he said.

He said he believed the Cambodian problem cannot be settled without Prince Norodom Sihanouk, who is the only one capable of bringing all the factions together.

The foreign minister said the Supreme National Council (SNC), a reconciliation body of the four rival Cambodian parties, is to discuss, during the scheduled meeting from Aug 26-28, Cambodia's sovereignty in relations to the United Nations, the demobilization of the military, and the role of the UN Transitional Administration in Cambodia (UNTAC).

Asa said he had learnt that Phnom Penh Prime Minister Hun Sen had objected to the UN peace plan which called for the total demobilization of forces. He said the issue needed a compromise.

Deputy Industry Minister Leaves for Oil Talks

BK1708043891 Bangkok THE NATION in English 17 Aug 91 p B8

[Text] Deputy Industry Minister Wira Susangkonkan will make a third trip to Vietnam for talks on Thai-Vietnamese ventures for petroleum exploration and production.

Wira will leave today for Hanoi on a four-day visit during which he will meet with the industry and science ministers of Vietnam.

Apart from petroleum, the Thai Government is seeking cooperation from Hanoi for investment in an electricity generating plant, a gas separation plant, a fertilizer plant, an oil refinery and the imports of liquified natural gas (LNG).

Wira said yesterday that Thailand is interested in natural gas exploration in three areas, namely, White Tiger, Dragon and Big Bear. The three concessions belong to Vietsov Petro, a joint venture between Vietnam and the Soviet Union.

The deputy industry minister might also bring the proposals to Moscow to boost the chance of Thailand being accepted as a developing partner.

White Tiger is already producing oil with associated gas and PTT Exploration and Production Co [PTTEP] had earlier suggested that the gas should be better utilized. Twelve to 13 other firms have expressed interest in further commercialization of the gas reserve.

PTTEP has proposed an investment of Bt6 billion in the construction of the natural gas separation facilities using the supply of about 75 million cubic feet of the associated gas daily as input to produce liquified petroleum gas and LNG for Vietnam, and the rest could be imported into Thailand.

A pipeline could be constructed to bring the gas in from the offshore White Tiger concession to the proposed gas separation plant. PTTEP also anticipated that about 25 million cubic feet of associated natural gas could be produced from the nearby Dragon concession.

Wira said the proposed cooperation would take the form of production sharing. Thailand could take part in any petroleum concessions in Vietnam since they are owned by the government, which differs from the Thai model which grants petroleum concessions to developers under fixed terms.

He said Thailand is also interested in developing the Big Bear concession since it is located not far from Thai territory. Preliminary information shows that the concession could contain a lot of hydrocarbons since Esso Co previously undertook the exploration.

Wira said production from Big Bear could yield 500,000 barrels of crude daily and 500 billion cubic feet of gas. No exploration work is being conducted at the concession which is located quite a long way from the shore.

The Deputy Industry Minister said he hoped that an agreement with Hanoi could be concluded within the term of the interim government especially for the Big Bear concession. Thailand would be able to guarantee demand for the natural gas from the concession.

The pipeline would be 500-km long which could be connected to the existing pipeline in the Gulf of Thailand in three years. The production could be more than 500 million cubic feet of gas daily. The reserve is predicted to last at least 20 to 25 years. The investment in the pipeline could cost up to Bt [baht] 20 billion.

Wira said the Thai proposal would help to speed up petroleum exploration and development in Vietnam as other international oil firms, including Fina of Belgium, Petro Canada and Petroanas of Malaysia, had not been able to make fast progress. Thailand on the other hand has a readily [as published] use of the gas being located close.

The deputy industry minister will also propose establishing a joint venture in a refinery in Vietnam. The latter currently does not have a refinery but is selling just crude oil overseas. Wira said the Vietnamese could use the oil to pay for the equity investment.

Meanwhile, he said Thai businesses are also interested in raw gems from Vietnam for cutting in Thailand. Experts could be sent there to help out.

Hanoi has sent petroleum officials here to observe PTT's operations. PTT staff has visited Vietnam to gather information on the commercialization of the natural gas.

Laos Agrees in Principle to Boundary Proposal

BK1808091491 Bangkok THE NATION in English 18 Aug 91 p A2

[By Kulachada Chaiphiphat in Cha-am]

[Text] Laos has agreed in principle to a Thai proposal that boundary issues could be discussed in a comprehensive manner, a move described by a Thai delegate as "encouraging."

The idea is to enlarge the mandate of the Thai-Lao Joint Boundary Committee allowing it to negotiate disputed spots along the whole common boundary. The committee's current mandate was to settle the territory dispute over the area straddling parts of Thailand's Phitsanulok Province and Laos' Sayaboury Province.

Foreign Minister Asa Sarasin told reporters at the end of the maiden meeting of Thai-Lao Joint Commission yesterday that this proposal will be discussed in detail when a joint technical subcommittee on the boundary meets in the future.

The subcommittee is scheduled to meet for the fifth time in Bangkok to report to the main Joint Boundary Committee the progress of the negotiations to settle the disputed area known by the Thais as Ban Rom Klao.

Asa said he raised the proposal with the Laotian counterpart Phoun Sipaseut when they met privately on Friday.

"Finally, we (Thailand and Laos) have to come to grips with the reality that this issue (the border) has to be discussed in a comprehensive manner," he said, citing similar cooperation Thailand has with Malaysia and Burma and Laos' with China and Burma. Thailand has progressively settled disputed areas along the common border with Burma and Malaysia.

Laos has persistently said that boundary disputes should be settled on a case by case basis not in a comprehensive manner.

A Thai delegate, however, commented that Laos' changing gesture was encouraging but it was too premature to say when both sides take the agreement off the drawing board.

Asa and Phoun also signed an agreement on Thai-Lao cooperation for peace and order along the common border at the end of the meeting. The pact will enable both sides to set up an implementing body, chaired by the Thai supreme commander and the Lao defence minister, to oversee border security issues.

The joint statement took note of the progress made on cooperation in various fields which included the repatriation of Laotian refugees; an end to the monopoly of crossborder goods transportation by Thailand's Express Transportation Organization; a reduction of import tax imposed on 16 Laotian agricultural products; a new agreement on electricity supply to be signed next month; and technical cooperation.

On tourism promotion, it said cooperation on the field would likely take into account environmental conservation.

"We do not want to see environment crisis happening in Laos as we have suffered," Asa said.

A new area of cooperation is to set up a joint working group to resolve overlapping TV signals in the areas along the common border.

Asa and Phoun also expressed the hope that the second meeting of the Joint Commission to be held in Vientiane in the middle of next year would bring about more progress than what was achieved here.

Voluntary Repatriation of 105 Lao Refugees

BK1708080691 Bangkok Radio Thailand Network in English 0000 GMT 17 Aug 91

[Text] One hundred and five Laotian refugees were repatriated yesterday under the UNHCR's [UN High Commissioner for Refugees] voluntary repatriation program. Interior Ministry Spokesman Kitti Pathumkaeo says the Interior Ministry has [word indistinct] the northeastern Province of Nong Khai to open its border checkpoint in Muang District to facilitate the repatriation. The 105 Laotians come from four holding centers in Nakhon Phanom, Loei, Phayao, and Chon Buri Provinces. They form part of the first batch of 5,000 to 6,000 refugees to be cleared from holding centers in Thailand by May next year.

Thailand, Laos, and the United Nations High Commissioner for Refugees last month concluded an agreement under which Laos will take back all 64,000 refugees from Thailand, with the last batch of refugees to leave the country by the end of 1994.

Large Increase in Burma Trade, Trade Deficit

BK1708044291 Bangkok BANGKOK POST in English 17 Aug 91 p 20

[Text] Trade relations between Thailand and Burma have soared, bringing the total trade value between the two countries to a far higher level than that between Thailand and the Indochinese countries, National Economic and Social Development Board Secretary-General Phisit Phakkasem said.

Thai-Burmese trade in terms of value last year was $120 million, 50 percent higher than the combined trade between Thailand and Indochinese states.

As a consequence of the growing trade relations, Thailand suffered a $77 million trade deficit with Burma.

Thailand mostly exported consumer products to Burma and imported from there raw materials, wood, jade and meat.

Mr Phisit said Thailand should place more importance on trade relations with Burma by underlining bilateral cooperation on energy, oil, natural gas and tourism.

Burma is interested in buying electricity from Thailand, while Thailand hopes to jointly invest with Burma in a hydroelectric generating plant along the border.

Mr Phisit said the Thai Government should promote tourism cooperation, with Chiang Rai acting as a through province to neighbouring countries such as Laos and southern China.

Chiang Rai should be promoted as a tourism centre or a gateway to these countries, including the Golden Triangle.

The government should develop sufficient infrastructure for tourists demanding accommodation and communications facilities and also develop Chiang Rai airport to international standards to stimulate tourism in this region, he said.

Kenyan Foreign Minister Arrives for 3-Day Visit

BK1908044891 Bangkok Radio Thailand Network in English 0000 GMT 19 Aug 91

[Text] Thai and Kenyan foreign ministers will meet this morning to discuss ways and means to promote trade between the two countries.

The Foreign Minister of Kenya, Mr. Wilson Ndolo Ayah, arrived in Bangkok yesterday afternoon on a three-day official visit to enhance bilateral relationship.

Apart from discussion with Thai Foreign Minister Asa Sarasin, Mr. Ayah will also pay a courtesy call on Prime Minister Anan Panyarachun at the Government House later this afternoon.

He will give a press conference at Wimanmaen Room, the Dusit Thani Hotel, on Wednesday [21 August] at noon.

100 Billion Baht Current Account Surplus

BK1708074691 Bangkok Radio Thailand Network in English 0000 GMT 17 Aug 91

[Text] The excess liquidity in the country's monetary system is higher resulting from more stable and acceptable condition in the interbank money system. Director of the Governor's Office of the Bank of Thailand Phisit Li-atham said that the country's monetary trend continued in the same direction as the previous months. In the first 10 months of this fiscal year, the government's current account showed a surplus of 100,000 million baht against the preceding year's 103,000 million baht. He said greater monetary tightness is a necessity to improve the country's monetary system. Mr. Phisit, however, said that in the last two weeks, the tight liquidity has slowed down as the monetary system at present became highly liquid. This development was due to the redemption of state enterprises bonds and greater confidence in interbank system. Inflation throughout this year is estimated at only 5.7 percent.

Prime Minister Urges End to Conscription

BK1708035691 Bangkok THE NATION in English 17 Aug 91 p A4

[Text] Prime Minister Anan Panyarachun, citing dwindling threats to national security, said he wanted to see the military recruitment scrapped and young men instead becoming volunteers of non-governmental agencies doing public development work.

He emphasized that the idea was just his personal opinion and he had never discussed the matter with the military.

The military has long been criticized for seeking high annual spending budgets with claims that security threats still existed.

The caretaker prime minister said he would not have enough time to push for his idea.

"I just want to drop something (before leaving office) for the Thai people to think about," he said.

Apparently concerned at the Army's image, Army Commander-in-Chief Gen Suchinda Khraprayun had earlier assigned his deputy, Gen Itsaraphong Nunphakdi, to head a special military team to supervise the annual conscription to prevent possible corruption in the process.

Vietnam

Spokesman Expresses Support for USSR

BK2008040691 Hong Kong AFP in English 0352 GMT 20 Aug 91

[Text] Hanoi, Aug 20 (AFP)—Vietnam is following with "great interest" the situation in the Soviet Union after the ouster of Mikhail Gorbachev and wants to keep building ties with its major ally, an official said here Monday.

"Vietnam wants to keep developing its traditional relations of friendship and cooperation with the Soviet Union," said a Foreign Ministry spokesman, in Hanoi's first official reaction to the conservative coup in Moscow.

"We are following with great interest the situtation in the Soviet Union and we hope that the Soviet people will overcome all the challenges and stabilize the situation," he said.

Vietnam's official press has given extensive coverage to the statements by the Soviet Union's new leadership claiming that Gorbachev stepped down as president for health reasons.

The newspapers and broadcast media have made no mention of international reaction, Gorbachev's reported arrest, nor the protests of Russian President Boris Yeltsin against the coup.

Vietnamese leaders have made no secret of their distaste for the democratic reforms that have transformed the Soviet Union and Eastern Europe since Gorbachev took power.

Moscow's longtime position as Hanoi's most important ally has also been eroded by the economic crisis that has forced the Soviet Union to drastically cut its aid to Vietnam and eliminate concessionary trading terms in the past year.

But while observers here do not expect Vietnam's communist leaders to be upset by Gorbachev's replacement by party hardliners, Hanoi hopes the change will not trigger massive instability.

"What we really fear is civil war," said an authoritative source close to the Vietnamese leadership.

Economic Agreement Signed With RSFR

BK1908152691 Hanoi VNA in English 1434 GMT 19 Aug 91

[Text] Hanoi VNA August 19—An agreement on economic and commercial relations and a protocol on goods exchange were signed in Moscow on August 16 - 17 between the Governments of Vietnam and the Russian Soviet Federative Republic [RSFR].

The Vietnamese Government delegation was led by Le Xuan Trinh, member of the Communist Party of Vietnam Central Committee, and deputy head of the State Planning Commission.

Under the protocol, the goods exchanges between the two sides for 1991 are expected to reach USD 150 million from each side.

The RSFR will supply Vietnam with petrol, fertilizer, steel, tyres and other goods in return for rice, meat, garments shoes and other commodities. The agreement provides for direct coopertion between various ministries, services, localities and enterprises of the two sides as from 1991.

ASEAN Anniversary Celebrated in Hanoi

BK1908153391 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Aug 91

[Text] On 8 August, the embassies of Indonesia, Malaysia, the Philippines, and Thailand in Hanoi jointly organized a reception to mark the 24th founding anniversary of the Association of Southeast Asian Nations [ASEAN]. The reception was held at the Philippine Embassy.

Attending the function were Nguyen Co Thach, vice chairman of the Council of Ministers and foreign minister, several ministers and deputy ministers, and representatives of agencies and mass organizations. Also present at the reception were the diplomatic corps and representatives of international organizations in Hanoi.

Philippine Ambassador Mariano L. Baccay—on behalf of the Indonesian, Malaysian, and Thai ambassadors—and Council of Ministers Vice Chairman Nguyen Co Thach proposed a toast for the founding anniversary of ASEAN. They also wished that the friendship and multifacted cooperation between Vietnam and the ASEAN countries be increasingly developed and consolidated for the interests of people in each nation and for peace, stability, and progress in the region.

Carrying out the fine tradition of ASEAN, during the past several days, the embassies of Indonesia, Malaysia, the Philippines, and Thailand organized a sport competition, artistic performances, and film shows to introduce cultural activities of their countries.

Investment Seminar Held in Ho Chi Minh City

BK1908071991 Hanoi VNA in English 0606 GMT 19 Aug 91

[Text] Hanoi VNA August 20—A seminar on investment in transport, recreation facilities and land and house construction in Ho Chi Minh City was recently held by the Vietnamese General Transport Development Corporation and the Resources Limited Company of Australia.

Taking part in the seminar were 12 prospective investors of Singapore and Australia in the construction of hotels, recreation centres and roads.

New Premier Receives Congratulations

BK1808104191 Hanoi VNA in English 0558 GMT 18 Aug 91

[Text] Hanoi VNA August 18—Mr. Vo Van Kiet has received more congratulations from his counterparts on his election as chairman of the Council of Ministers of Vietnam.

The congratulatory messages came from the Democratic People's Republic of Korea, Indonesia, Japan, Afghanistan, Belgium, Mongolia, Algeria, Bulgaria, Albania, India, Ethiopia, Tunisia and Palestine.

Vice Minister at Indonesian Independence Fete

BK1708070291 Hanoi VNA in English 0638 GMT 17 Aug 91

[Text] Hanoi VNA August 17—A mass meeting was held here yesterday evening on the occasion of the 46th National Day of the Republic of Indonesia (August 17).

The meeting was jointly sponsored by the Vietnam-Indonesia Friendship Association, the Ministry of Culture, Information and Sports, and the Indonesian Embassy. It was attended by Mrs. Nguyen Thi Binh, president of the Vietnam Union of Peace, Solidarity and Friendship Organizations, Professor Dr. Dinh Quang, vice minister of culture, information and sports, and vice president of the association, and Indonesian Ambassador Aswismarmo.

Addressing the function, Professor Dinh Quang reviewed the great achievements recorded by the Indonesian people over the past 46 years.

For his part, Ambassador Aswismarmo expressed his wishes for further consolidation and development of the longstanding friendship and cooperation between the two countries in the interests of the two peoples and, for peace, stability and cooperation in Southeast Asia, and elsewhere in the world.

The meeting was enlivened by an art performance by Vietnamese and Indonesian traditional art troupes.

New Ethiopian Prime Minister Congratulated

BK1708154891 Hanoi VNA in English 1511 GMT 17 Aug 91

[Text] Hanoi VNA August 17—Chairman of the Council of Ministers Vo Van Kiet today congratulated Tamrat Layne on his election as prime minister of the transitional Government of Ethiopia.

The congratulatory message wishes the Ethiopian leader greater success in his mission, and the friendship and cooperation between the two countries further consolidation and development.

Foreign Minister Nguyen Manh Cam also sent congratulations to the Ethiopian Foreign Minister, Seyoum Mesfin.

Phan Doan Nam on Methods of Diplomacy

BK1808142791 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese June 91 p 63-67

[Article by Phan Doan Nam: "Diplomacy in the Service of National Defense in the New Revolutionary Stage"]

[Text] Earlier when the revolutionary stage was designed to achieve national liberation and independence, diplomacy provided effective service for the wars of resistance against French colonialism and then U.S. imperialism and their henchmen. Diplomacy in that period did not stop merely at creating favorable international conditions—that is, striving to win the sympathy, support, and assistance of friends and isolating the enemy internationally—but also participating in the nation's sacred resistance at the negotiating table. The struggle at the negotiating table was no less tough and less fierce, for a victory or a defeat at the negotiating table would have had a direct impact on the battlefield situation. It might either have created a new momentum for the revolution to surge forward or have driven the revolution back into an awkward situation. Those correct decisions made by our party and by Uncle Ho, ranging from the Preliminary Treaty of 6 March 1946 to the signing of the 1954 Paris Accords and the 1973 Paris Agreement on Vietnam, were wonderful diplomatic steps. They effectively served the struggle for national liberation and unification. It can be said that without the Preliminary Treaty of 6 March 1946 which was meant to buy time—nearly a year—prior to entering the 19 December 1946 all-people and all-out resistance, there would have been no "internationally-renowned Dien Bien Phu Victory" of 1954. If there had been only the Dien Bien Phu Victory of 1954 without the 1954 Geneva Accords that led to the building of the North into a huge rear base for the struggle to liberate the South, and if there had been no 1973 Paris Agreement on Vietnam which contributed to fighting the Americans, there would have been no total victory that "brought the puppets down to their knees" in the Spring of 1975 and led to the liberation of the South and the unification of the fatherland.

To sum up, in the past revolutionary stage, the struggle that combined the diplomatic front with the military front was fairly close-knit and the role that diplomacy played in the national liberation struggle was fairly clear: Diplomacy was designed to delay war and buy time so we could build our forces to embark on the all-people and all-out resistance. When the war broke out, the diplomatic task was to strive to seek international support to isolate the enemy. But when our forces were strong enough while the enemy was not totally weak, the diplomatic task was utilized to pave the way for the possibility of "fighting while negotiating" so we could prepare for the end of the war. We used diplomacy to create a way for the enemy to "withdraw in honor," while dividing the enemy ranks and creating a new favorable situation so we could take advantage of our victories to move forward to gain total victory. Diplomacy contributed greatly to the overall victory of the entire nation during the revolutionary stage for national liberation and national unification.

Embarking on the new revolutionary stage, the strategic task has changed from military struggle in the liberation-oriented revolution to the struggle for peacefully building and defending the socialist fatherland. The political task of the diplomatic sector has also changed accordingly. The task of the diplomatic sector in the new revolutionary stage is precisely to create favorable international conditions for a satisfactory fulfillment of the party's two strategic tasks of building socialism and defending the socialist fatherland. Then, what does the creation of favorable international conditions really mean? How should the role of diplomacy in the cause of defending the socialist fatherland be understood?

First, it should be noted that between "construction" and "defense", there is a dialectical and organic relationship. To build socialism satisfactorily, we should satisfactorily defend the socialist fatherland. Conversely, only by satisfactorily defending the socialist fatherland can we keep socialism for construction. Therefore, the fact that diplomacy has engaged in foreign economic affairs and broadened foreign economic relations with other countries is aimed at contributing to socialist construction while creating favorable international conditions for consolidating peace and dispelling the danger of war. This is also a practical way to defend the fatherland. But within the scope of this article, we do not want to discuss that matter. Also, we are not dealing with the question of cadres and diplomatic officials having to contribute to national defense as citizens required to serve the party's all- people national defense strategy. What we want to point out here is the direct role of diplomacy as an effective tool designed to serve the party and the state in the cause of defending the socialist fatherland.

To practically contribute to national defense and security, diplomacy should develop its role in many areas, especially with regard to the following three issues:

First, a diplomatic struggle must eventually result in more friends and less enemies. Otherwise, it may jeopardize national security. Although this strategic line had been put forth by President Ho Chi Minh since the early days of the revolution, it has not been implemented in a satisfactory fashion. How to distinguish friends from foes is a very important and complicated task, especially when the world is plagued with differences. There are also many differences between our country and other countries, including those which are our closest allies and friends. This state of affairs is very prevalent because between nations, there still exist numerous differences—racial, ideological, religious, cultural, political, and socioeconomic—, not to mention differences in territorial sovereignty etc, left behind by history. However, from this confusion of differences emerges a common thirst—also common objectives of our times—for peace, national independence, democracy, and social progress. Therefore, we should take the common objectives of our times, instead of the above ethnic and ideological differences, as a standard for distinguishing friends from foes. All those favoring the above four objectives [of peace, national independence, democracy, and social progress] of our times are our friends. Only those who are against this are our enemies. Based on this common desire, we should consider the majority of the world people, irrespective of their political affiliations, religions, and socio-political systems, as our friends. Only a small, aggressive, and most belligerent imperialist-expansionist force is our enemy. This is the way that we distinguish friends from foes, and this does not mean that differences and disagreements between our country and other countries no longer exist. However, we should not allow these differences and disagreements to make those nations that are struggling for the common objectives of our times hostile to one another, for this will only benefit the most aggressive imperialist forces. Naturally, there are many kinds of friends and allies—those far and near, and those direct and indirect. This requires us to correctly determine and adjust our strategic and tactical requirements to the situations of these countries. Distinguishing friends from foes as said above does not mean we deny all normal relations with the most belligerent and reactionary imperialist forces. We do not harbor any illusion of using normal relations with these forces to turn "wolves into sheep" but rather to gain the support from the people in these countries, including those belonging to the above class. This is to compel them, for their own benefit, to pressure their rulers into renouncing their hostile policy toward us, or at least, to give the most aggressive imperialist forces no excuse to maintain their hostile policy toward our country. Therefore, while struggling for the normalization of relations with those countries whose rulers still consider us as an enemy, we should continue to constantly heighten our vigilance against the enemy's attempts at peaceful evolution, even if normal relations have been established with these countries. In distinguishing friends from foes, we should avoid two unhealthy tendencies: The first one being represented by inflexbility and narrow-mindedness, leading to self isolation and the eventual creation of more enemies and less friends; and the second marked by illusionary and unclear attitudes toward friends and foes, thus causing a loss of vigilance against the most belligerent imperialist forces. These two tendencies will only jeopardize national security and defense.

Second, to ensure national security and defense, we should attach great importance to efforts to consolidate and enhance relations with our strategic allies and our traditional friends if we are to build for ourselves a reliable support. On the other hand, we should continue to support the struggle of various nations for peace, national independence, and social progress. Only by doing so can we erect an impregnable "shield" for our national defense and security. This does not mean that we will interfere in the internal affairs of other countries nor will we advocate setting up an "alliance" with some of these countries to oppose other countries as has been noisily charged by the psychological welfare apparatus of imperialism and expansionism in order to distort and smear Vietnam's reputation. This is a question of how to distinguish between two causes, just and unjust. It is also a question of how to honor internationalist duty toward those nations struggling for just causes. A practical approach of our foreign policy in the new revolutionary stage requires that we should always support the just struggle of the people in developed capitalist countries for civil rights and democracy while continuing to keep our door open to do economic business and maintain normal diplomatic relations, even to the extent of long-term economic, cultural, scientific, and technical cooperation with the governments of these countries. Of course, this cooperation must be equal and mutually beneficial. If we have a chance to make capitalist corporations and the governments of developed capitalist countries realize the benefit in achieving economic, cultural, scientific, and technical cooperation with our country, it will be very beneficial to our national security and defense. It is also in their interest to help us achieve stability. Here, Lenin's statement still proves to be totally correct. For capitalism, income is its foremost objective. To smoothly combine these two aspects—supporting the just struggle of the people of various countries while maintaining peaceful relations and cooperation with the governments of these countries, we should firmly grasp the principles of the international law and combine them with our forefathers' modest and flexible diplomatic traditions, the heritage of which has been condensed into the body of Uncle Ho, an excellent diplomat of modern Vietnam.

Third, our diplomatic task should be to make the greatest efforts to contribute to ensuring national security and defense, that is, unfailingly building peaceful, friendly, and cooperative relations with our close neighboring countries. Whether or not we can create a favorable international environment for national defense and construction will be decided by our relations with our close neighboring countries. This issue is not simple. However it came about, history has left us many disputes to be solved between our country and our neighboring countries. In this regard, our state attaches great importance to the normalization of relations with China and other neighboring countries in Southeast Asia. Our state has also stated that it is ready to join ASEAN. The settlement of those disputed issues left behind by history is necessary and we should not allow the differences that crop up from these issues to turn into hatred, national prejudices, and hotbeds of war or tensions as this is not good for regional security and stability, and may jeopardize our national defense. The current international situation shows that solving differences between neighboring countries through peaceful negotiations is good for both sides. This is the course that our foreign affairs sector is encouraging and promoting. Friendly neighboring relations will not endure if they are not based on mutual trust, as trust can only be built on the basis of honest and comprehensive cooperation, especially on peace and development, between various countries in the region.

In developing to the fullest the diplomatic role in these areas aimed at consolidating and enhancing national defense and security, what is most important is that we should correctly evaluate the international situation and international relations, especially at a time when there are complicated developments in the world. As the eyes and the ears of our state in the world, the foreign affair sector should be an organ that can gather the largest amount of information to help examine and evaluate the situation. Other sectors have, however, also been able to gather some valuable information. Therefore, to evaluate the world situation in a fairly accurate fashion, we cannot help but listen to all sources of information from various sectors, and we must attach importance to the views of statesmen, national assembly deputies, diplomats, people, scholars, journalists, and even foreign businessmen. The world is very complex and diverse. Therefore, any monopoly of the just cause will lead to a state like "an elephant being examined by a blind man." On the other hand, all sectors, irrespective of their areas of activity, should be aware of the idea of "making more friends and less enemies" in accordance with the foreign policy of our party and state. A small press article that does not follow the above policy line or a caricature that is irrelevant can also jeopardize the relations between our country and its international friends.

Therefore, in order to better serve the renovation undertaking at home and the policy to open our door to foreign countries, it is time for us to have an all-people foreign affair sector and to come up with a plan to teach the people not only to perform their duty as citizens but also to develop a general knowledge about the world situation and the foreign policy of our party and state. Only through this can the foreign affairs sector develop to the fullest the integrated strength of the entire people in a bid to successfully fulfill the two strategic tasks of building and defending the socialist fatherland.

Land, Housing Tax Regulations Issued

BK1708154591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Jul 91

["Text" of land and housing tax regulations]

[Text] On 1 July, the Council of State of the Socialist Republic of Vietnam promulgated the regulations on land and housing taxes ratified by the council on 29 June 1991. The text of the regulations is as follows:

To strengthen state management over house building and utilization, to encourage organizations and individuals to use land in an economical way according to the law on land, and to create conditions for home owners and users of land and housing facilities to contribute to the state budget;

By virtue of Articles 80 and 100 of the SRV Constitution and the resolution adopted by the sixth session of the eighth National Assembly on 28 December 1989 regarding the delegation of power to the Council of State to impose some new taxes;

The Council of State hereby promulgates the regulations on land and housing taxes.

Chapter I General Provisions

Article 1. Land and housing taxes shall be collected on houses and land for housing and project building purposes.

Article 2. Organizations and individuals who own housing facilities and land for housing and project building purposes, commonly referred to as owners of housing facilities and land, are dutybound to pay land and housing taxes.

In case the house ownership right or the right to use housing facilities and land are still in litigation or are not yet determined, those organizations and individuals who use those facilities or land must pay land and housing taxes.

Organizations and individuals, including foreign-funded enterprises, who lease housing facilities or land for housing or project building purposes shall have to pay rentals only, whereas organizations and individuals who rent out their housing facilities or land shall have to pay for land and housing taxes specified under these regulations.

Article 3. Land and housing tax exemptions shall be applied to the following:

1. Housing facilities in the rural areas, except for housing facilities located in business and service industry areas along national highways and provincial landways in the lowland and midland regions.

2. Land for use in building roads, bridges, parks, stadiums, dams and dikes, irrigation networks, and cemetaries.

3. Housing facilities and land for use as headquarters of administrative or professional organs, social organizations, cultural centers, and barracks for members of the People's Armed Forces.

4. Housing facilities and land for use solely as sites of worship by the various religions.

5. Housing facilities and land for use to serve public interests from which landlords do not collect rents.

Article 4. Unless otherwise specified by international agreements of which Vietnam is a signatory or a participant, diplomatic organs and international organizations owning housing facilities or using land for housing and project building purposes shall have to pay land and housing taxes specified under these regulations.

Article 5. Home owners and landlords are dutybound to pay land and housing taxes specified under these regulations.

Article 6. Tax evasion, failure to pay taxes in time, and other violations against these regulations are strictly prohibited.

Article 7. State agencies, social organizations, People's Army units, and citizens are all dutybound to help tax agencies and tax cadres to discharge their duties.

Chapter II Land and Housing Tax Computation Criteria and Tax-Table

Article 8. The land and housing tax computation criteria are to be based on the areas of houses and land and the amount of taxes to be paid per square meter depending on the categories of houses, land, and tax rates.

Regarding land in the rural areas, the tax computation criteria are determined under Article 11 of these regulations.

Article 9. The land and housing tax rates are specified as follows:

1. The housing tax rates are based on the market value of each category of houses.

2. The land tax rates are based on the potential to generate profits and the value of land used in each region.

Based on the contents of points 1 and 2 of this article, the Council of Ministers shall determine the categorization of houses and land, the standard market values of houses and land, and land and housing tax computation rates.

Article 10. The land and housing tax brackets are as follows:

1. For houses, 0.3 percent of the market value per year.

2. For land, 0.5 percent of the market value per year.

Article 11. Regarding land in the rural areas, the tax rates are as follows:

1. For bare hill and gravel land, the tax rate is equal to the agricultural tax rate applied to the same category of land in the locality concerned.

2. In midland and hilly and mountain areas, the tax rate is equivalent to 1.5 times the agricultural tax rate applied to the same category of land in the locality concerned.

3. In lowland areas, the housing tax rate is equivalent to two times the agricultural tax rate applied to the same

category of land in the locality concerned. For the Red River Delta, the Mekong River Delta, and areas along national highways and provincial landways, the housing tax rate is equivalent to three times the agricultural tax rate applied to the same category of land in the locality concerned.

4. Housing land which is used for agricultural production purposes shall be subject to a tax rate equivalent to the agricultural tax rate applied to the same category of land in the locality concerned.

Chapter III Filing and Paying Land and Housing Taxes

Article 12. Land and housing taxes are to be paid to the local tax agencies where the houses and land concerned are located.

Article 13. Land and housing tax returns are to be filed twice a year with 50 percent of the tax payments paid each time. The first payment must be paid on 30 April and the second payment on 31 October at the latest.

Article 14. Homeowners and landlords are responsible for:

1. Providing the tax agencies with an annual report on the conditions of their houses and land in accordance with the Ministry of Finance's stipulations. Any changes in the house ownership right or right to use land, structures of houses, and areas of houses and land must be reported to the tax agencies no later than one month, beginning on the date such changes take place.

2. Supplying documents needed for land and housing tax computation purposes as requested by the tax agencies.

3. Paying taxes in full and on schedule.

Article 15. The tax agencies have the following rights and duties;

1. Guiding and assisting home owners and landlords in adequately filing and paying land and housing taxes.

2. Inspecting and verifying documents needed for tax computation purposes and opening and reviewing land and housing tax files.

3. Informing taxpayers of the amounts due and the tax payment deadlines. When collecting taxes, tax agencies must issue receipts published by the Ministry of Finance.

4. Monitoring and supervising the collection and remittance of taxes to the state treasury.

5. Filing reports on and adopting administrative measures within their jurisdiction or recommending legal actions against violations of land and housing tax regulations.

6. Investigating and settling complaints and denunciations relating to land and housing taxes.

Chapter IV Land and Housing Tax Reductions and Exemptions

Article 16. People who are eligible for state housing but who own their houses before they receive state-provided living quarters shall be exempted from paying land and housing taxes on those areas of houses and land equal to the allocations made by the state.

Article 17. Consideration for land and housing tax reductions or exemptions shall be given to the following cases:

1. Houses built with undurable materials.

2. Houses needing repair but the repair costs exceed more than half of the market value used for tax computation purposes.

3. Houses that are three years old and under.

4. Houses and workshops owned by state enterprises.

5. Houses and land under state management and rented out to cadres and state employees.

6. Houses and land owned by taxpayers who face difficulties due to natural or enemy-caused calamities or unexpected mishaps.

The procedures and power to consider land and housing tax reductions or exemptions are to be determined by the Council of Ministers.

Chapter V Actions Against Violations and Commendations and Rewards

Article 18. 1. Actions against violations of land and housing tax regulations are as follows:

a. Organizations and individuals who fail to correctly abide by land and housing tax filing procedures will be subject to warning or fines up to a million dong depending on the degree of seriousness of their offenses.

b. Regarding organizations and individuals involved in tax fraud and tax evasion, in addition to their obligation to pay taxes according to these land and housing tax regulations, they shall be subject to a fine equal to one to three times the amount of taxes overdue.

c. Regarding organizations and individuals who are late to pay taxes or fines in accordance with tax payment notices or court decisions, in addition to their obligation to pay taxes or fines according to these regulations, they shall have to pay an additional fine equal to .005 percent of the tax amounts overdue.

d. Organizations and individuals who refuse to pay taxes or fines shall be subject to the following measures:

—Having the money of their bank accounts drawn to pay for taxes or fines. The banks are dutybound to draw money from those accounts and remit it to the state treasury to pay for taxes or fines overdue in accordance with the tax agencies' notifications.

—Taking an inventory of their property in accordance with the law to serve as guarantees for the amounts of taxes or fines overdue.

2. Individuals who are involved in serious cases of tax evasion or who are subject to punitive measures specified under points a, b, c, and d of clause 1 under this article but who refuse to mend their ways shall be subject to measures specified under Article 169 of the criminal code.

Article 19. The power to handle cases of violations against clause 1, Article 18 of these regulations is as follows:

1. Regarding those violations against the provisions specified under point a:
a. The chief of a tax collection station may impose a fine up to 100,000 dong.
b. The chief of a tax collection branch may impose a fine up to 400,000 dong.
c. The chief of a tax collection department may impose a fine up to 1 million dong.

2. Regarding those violations against the provisions specified under point b:
a. The head of a tax collection branch may impose a fine equal to one time the amount of tax fraud.
b. The head of a tax collection department may impose a fine three times the amount of tax fraud.

3. The head of a tax agency directly in charge of collecting land and housing taxes may impose fines on late tax payments and adopt other measures specified under points c and d, clause 1 under Article 18 of these regulations.

Article 20. Individuals who hamper or encourage other people to hamper the implementation of the land and housing tax regulations or the investigation into and handling of violations against these regulations shall be subject to administrative measures or other legal actions suitable to their offenses as stipulated by the law.

Article 21. Tax cadres and individuals who take advantage of their positions and power to embezzle land and housing taxes shall be forced to pay back to the state the amounts of money they have embezzled and shall be subject to disciplinary actions, administrative measures, or other legal actions suitable to their offenses as stipulated by the law.

Tax cadres and individuals who take advantage of their positions and power to screen other people's violations against the land and housing tax regulations, who deliberately act at variance with these regulations, or who lack a sense of responsibility toward the implementation of these regulations shall be subject to disciplinary actions, administrative measures, and other legal actions suitable to their offenses as stipulated by the law.

Tax cadres who, due to a poor sense of responsibility or a deliberate attempt to impose unfair tax measures, have caused damages to taxpayers or other people involved, must pay damages to the victims of their wrongdoings.

Article 22. The Council of Ministers is to work out a commendation and reward policy toward:

1. Tax agencies and tax cadres who satisfactorily fulfill their duties.

2. Individuals who help disclose cases of violations against the land and housing tax regulations.

Chapter VI Complaints and Timetable for Filing Complaints

Article 23. Organizations and individuals have the right to file complaints against the incorrect application of the land and housing tax regulations to them.

Complaints must be submitted to those tax agencies issuing notices on tax payments or on tax measures to be applied no later than 30 days from the day on which such notices are received.

Pending settlement of complaints, plaintiffs must pay all taxes or fines in due amounts and on schedule according to the notices.

The agencies in charge must study and settle complaints no later than 15 days from the day on which a complaint is received. Regarding complicated cases, more time may be allowed. However, a settlement must be reached no later than 30 days from the day on which a complaint is received.

Article 24. If plaintiffs do not agree with the decisions reached by the agencies in charge or if a deadline has passed but no settlement has been reached, plaintiffs may bring the issue to the attention of a higher-level tax agency directly in charge of the first tax agency where the complaint has been filed.

Article 25. Tax agencies must make reimbursements for the amounts of taxes or fines that are incorrectly levied and must also pay compensations, if any, no later than 15 days from the day on which a decision from the upper echelon is received.

Article 26. If a tax evasion, tax fraud, or a mistake in tax computation has been discovered and confirmed, a tax agency may effect a collection of tax backpayment or make a reimbursement for a tax overpayment within three years from the day on which such a tax evasion, tax fraud, or mistake in tax computation is discovered.

Chapter VII Organization of Implementation

Article 27. The Council of Ministers is to provide guidance over the organization of the implementation of the land and housing tax regulations nationwide.

Article 28. The minister of finance is responsible for organizing the implementation of and supervision over the land and housing tax regulations nationwide, as well as for settling complaints and making recommendations on issues relating to the land and housing tax regulations.

Article 29. The people's committees at all levels are to provide guidance over the implementation and supervision over the implementation of the land and housing tax regulations in the localities under their jurisdiction.

Chapter VIII

Article 30. In case there is an increase of 20 percent or more in the price index, the Council of Ministers will adjust the tax rates specified under these regulations accordingly.

Article 31. The real estate tax and other previous stipulations at variance with these regulations are hereby rescinded.

Article 32. These regulations will take effect as of 15 July 1991.

Hanoi, 29 June 1991

For the Council of State of the SRV

[Signed] Chairman Vo Chi Cong.

Council of Ministers Decision on Economic Zone

BK1908135591 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 8 Aug 91

[Text] On 3 August, the Council of Ministers Chairman issued a decision approving the project to build the Yen Son new economic zone in Huong Son District, Nghe Tinh Province. This new economic zone is part of the Huong Khe new economic project, covering a natural land area of 111,898 hectares.

In the 1991-95 period, Yen Son will reclaim 1,050 hectares of virgin land for cultivation. Tea will be planted on 700 hectares, pomelo and other fruit trees on 300 hectares; rice, subsidiary food crops, short-term industrial and other valuable crops will be planted on 50 hectares. Moreover, livestock raising will be carried out in the zone.

The Council of Ministers Chairman charged the Ministry of Labor, War Invalids and Social Welfare, the Nghe Tinh provincial People's Committee, and sectors concerned with the task of quickly fulfilling all concrete preparations so that construction can be started in the fourth quarter of 1991.

Commentary Says Migration Efforts Needed

BK1908151991 Hanoi Voice of Vietnam in English 1000 GMT 12 Aug 91

[Unattributed commentary]

[Text] Over the past few months, tens of thousands of people—mostly from ethnic minority groups in the northern mountain Provinces of Hoang Lien Son, Son La, Cao Bang, and Lang Son—have left their native areas for new settlements in the central coastal Provinces of Thanh Hoa and Quang Nam-Danang and the central highland Province of Da Lac. These orderly departures have caused major socioeconomic problems, such as land disputes, wanton forest destruction, and hunger among migrants due to the lack of work opportunities.

Although the local authorities in the areas of the new settlements are fairly passive, they have tried their best to help the new settlers. The administration of the mountain district of Quan Hoa, Thanh Hoa Province, has assisted more than 1,500 newcomers to move in with the locals in four villages and set up 14 administrative units.

During the preharvest period, the new settlers are, along with the locals, supplied with food from the province's relief fund. Representatives of the newcomers have signed commitments not to destroy watershed forests and to fulfill their civic obligations.

However, the situation requires effective measures to restrict this chaotic movement and organize migratory influxes into an orderly program. At the same time, land disputes involving violence between locals and 360,000 people migrating from the Red River Delta Province of Thai Binh to the northwest mountain region of Vietnam are occurring more frequently than ever. For more than 30 years, the Kinh ethnic minority group have moved in from Thai Binh Province and have integrated with locals from ethnic minority groups.

Since the package contract with them came into effect, arable land has been allotted to each household. Wherever the new settlers live among locals, conflicts appear because the local authorities give priority to original inhabitants. Almost all the new settlers have no land to cultivate; sometimes even no land to settle on.

This situation has led to the return of more than 1,000 to their native villages, mostly in Quynh Phu, Kien Xuong, and Vu Thu Districts where local authorities are unprepared for their arrival.

Although the Council of Ministers have issued various instructions guiding the localities involved in solving such conflicts, the problem remains largely outside the control of these localities. More than ever before, settlers in new economic zones over the past 30 years require concerned officials to introduce drastic measures to solve their problems.

Nong Duc Manh Attends Panel on General Survey

BK1908135191 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 7 Aug 91

[Text] To commemorate the 46th anniversary of the August Revolution and the National Day, 2 September, the State Science Commission on 7 August held a panel session to appraise the results of the recently concluded state general survey of northern mountainous provinces.

Comrade Nong Duc Manh, member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau, vice chairman of the Nationalities Council, and head of the Central Nationalities Committee attended the meeting.

The panel was comprised of 15 scientists, professors, and associated professors headed by professor Tran Thao, deputy head of the State Planning Commission. The panel appraised results of the recent general survey of nine northern mountainous provinces in an academic atmosphere. A working team under the guidance of Professor Nguyen Trong Khiem creatively designed a significant scientific system to conduct the general survey on the socioeconomic situation of the nine mountainous provinces. The survey raised many different issues ranging from land natural resources and products derived from mines and geological condition to the socioeconomic issues and other issues related to the technical domain and daily life activities of the people in the region.

It can be said that in a short period of time, the working team has sucessfully designed a major, relatively perfect, and reliable scientific survey project.

Recent Decisions Issued by Prime Minister

BK1808130891 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 13 Aug 91

[Text] Over the past eight months, the Chairman of the Council of Ministers has issued many important decisions. These include the decision ratifying the draft plan for investment in building the new economic zone in Nghe Tinh Province; the resolution promulgating regulations on career soldiers; the decision ratifying the draft plan for investment in building new economic zones in Gia Lai-Cong Tum Province; the decree stipulating the organizational and operational systems of people's inspection boards; the decree promulgating regulations on the participation of foreign sides or foreign facilities in scientific research in various sea areas of the Socialist Republic of Vietnam; the decision rafifying the draft plan for investment in building the Duc Lieu new economic zone in Bu Dang District of Song Be Province; the directive on planting eucalyptus forests; and the notice of the office of the Council of Ministers on the conclusions reached by Comrade Vo Van Kiet on work related to population and family planning.

Council of Ministers Holds News Conference

BK1808101691 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 17 Aug 91

[Text] On 17 August, the office of the National Assembly and Council of Ministers held a news conference to annonce a number of important laws just approved by the National Assembly in its recent ninth session. Comrade Vu Mao, head of the Office of the National Assembly and Council of Ministers directed the news conference.

At the news conference, Comrade Phung Ngoc Hung, secretary of the Ho Chi Minh Communist Youth Union [HCMCYU] Central Committee, presented the contents and drafting work of the law on protection, care for, and education of children. Comrade Luong Ngoc Toan, vice minister of education and training, introduced the significant contents of the law on popularization of primary education. Comrade Pham Hung, chief judge of the People's Supreme Court presented contents and significance of the amendments to some provisions of the penal code.

Vo Chi Cong Meets Children's Representatives

BK1908152591 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 11 Aug 91

[Text] On the morning of 10 August at the Presidential Palace, Vo Chi Cong, chairman of the Council of State, met with members of some 30 children's delegations from 19 provinces and cities throughout the country, who were in the capital of Hanoi to attend the first National Children's Song Festival.

On behalf of the party and state, Chairman Vo Chi Cong asked these children's representatives to convey his kind regards to all children throughout the country.

The children's song festival took place right at the time when the ninth session of the eighth National Assembly passed the law on the protection, care, and education of children and the law on the universalization of primary education. This shows the concern of the party, state, and entire society for the country's younger generation so that they can be provided with protection, care, and education to become new citizens of the socialist Vietnamese fatherland.

Central Committee Ideology Department Meets

BK1908154391 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 10 Aug 91

[Text] From 7 to 9 August in Hanoi, the party Central Committee Ideology and Culture Department met with heads and deputy heads of the ideology and culture sections of all provinces, cities, and special zones and deputy secretaries of party committees of the bloc of central organs to study and seek a profound understanding of the seventh party congress' resolutions.

The meeting was presided over by Comrade Tran Trong Tan, member of the party Central Committee and head of the party Central Committee Ideology and Culture Department. Also present was Comrade Hong Ha, secretary of the party Central Committee.

During the three days of work, key cadres responsible for ideological and cultural work in various localities were briefed on the report of the sixth party Central Committee—which was read by Comrade Nguyen Van Linh at the seventh party congress—with its five specific contents:

—To persist in the socialist way is the only correct option
—Major orientations for the economic policy
—Renovation of the political system and the question of socialist democracy
—About party work
—Initial results of the renovation process and main orientations and tasks for the years ahead.

The participants discussed plans for implementing the party Central Committee secretariat's directive on arranging for cadres and party members to study and seek a profound understanding of the seventh party congress' documents—such as the platform for national construction during the period of transition to socialism, the strategy for socioeconomic stabilization and development, the political report, and the report on party building work—during political indoctrination among party chapters and at the second-round party party organization congresses at various levels. This is aimed at completing this important task by late April 1992.

The meeting also spent much time discussing ways to arrange for other people to study the seventh party congress's documents. These include members of the Ho Chi Minh Communist Youth Union; cadres directly in charge of ideological, theoretical, cultural, and artistic activities; cadres, teachers, and students of the education and training sector; key cadres of all organs, sectors, and mass organizations at the central and local level; and the people of all strata throughout the country.

Minister's Letter to Military Group 871

BK1908033991 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 6 Aug 91

[Letter from the minister of national defense to cadres, soldiers, staff, and trainees of Group 871 on its 20th founding anniversary—Annoucer Read]

[Text] Dear Comrades,

On the 20th founding anniversary of Group 871—7 August 1991—on behalf of the party Military Central Committee and the Ministry of National Defense, I send my warmest regards and congratulations to all cadres, soldiers, staff, and trainees of Group 871.

In the past 20 years, under the party's leadership in implementing our beloved Uncle Ho's teachings and with the protection and help of the party committees, government, and the local people; generations of cadres, soldiers, staff, and trainees of Group 871 have closely united to overcome every difficulty and hardship, and continuously developed the excellent characteristics and glorious tradition of the heroic Vietnam People's Army. The group has developed strongly in every field, satisfactorily accomplishing all duties entrusted by the Ministry of National Defense, and contributed to the task of training and developing the contingent of Army officers and military technological cadres to turn our Army into a modern and regular one.

Dear Comrades,

The demand of our present revolutionary duty is to push forward the renovation undertaking, successfully implement the resolutions of the seventh national party congress, and to build socialism and protect the Vietnamese socialist fatherland.

Our national situation is undergoing positive changes, but difficulties still exist, requiring every cadre, soldier, staff, and trainee of Group 871 to further understand the renovation lines, viewpoints, and policies of the party and state.

With the spirit of that understanding of the seventh party congress resolutions must go together with their implementation; saying must go together with doing, every one of you must heighten the sense of self-sufficiency, constantly develop the glorious tradition of the Army, strengthen unity, maintain good discipline, be alert, and have good coordination with the organs of the Ministry of National Defense, the party, the state, and the local people in order to build a more mature and progressive Army unit in the field.

On this glorious traditional day, I send my warmest regards to sick and injured soldiers; to the families of fallen combatants; to retired or transferred comrades; and to cadres, soldiers, staff, trainees, and their families.

I would like to send my appreciation to the local party committees, government offices, and the local people for their assistance and contribution to the outstanding achievements of the group.

I wish you good health and many more new achievements. I send you a friendly and determined-to-win salute.

3 Billion Dong Alloted From State Budget

BK1908151791 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 13 Aug 91

[Text] The chairman of the Council of Ministers recently decided to allot 3 billion dong from the state budget as financial assistance to Son La Province to help it overcome the aftermath of natural disaster caused by the flash flood on 27 July.

This sum of money will be used to purchase medicine and essential utensils as relief aid to the people in the seriously affected areas, as well as to rebuild various infrastructure projects.

The chairman of the Council of Ministers instructed the ministries of energy, water conservancy, communications, transportation, posts, and education and training to rapidly adjust their construction funds to ensure that effective assistance is given to Son La.

The chairman of the Council of Ministers also instructed the Son La provincial People's Committee to satisfactorily manage the use of this financial assistance; rearrange capital construction plans for 1991; effectively handle and utilize the funds allocated by various sectors, provinces, and localities; and concentrate on urgently restoring all major projects to promptly serve production and stabilize the people's livelihood.

Report on Destruction Caused by Tropical Storm

BK1908154991 Hanoi VNA in English 1432 GMT 19 Aug 91

[Text] Hanoi VNA August 19—Five persons were killed and 16 others injured by the tropical storm Fred that hit three central Provinces of Nghe An, Ha Tinh and Quang Binh on August 17, according to a preliminary report of the Central Anti-storm and Flood Committee today.

The report further said that the storm, packing winds of 11 and 12 degrees on the Beaufort Scale, pulled down 956 houses, 352 classrooms, 40 hospitals or infirmaries; damaged 24 bridges and sluicegates and 7 dyke portions; and submerged 14,000 ha under rice and thousands of hectares of subsidiary food crops; and sunk 50 vessels in Nghe An and Ha Tinh Provinces.

In Quang Binh Province, 2,375 houses were destroyed, 13,850 house roofs blown away, 13 classrooms damaged and 143 others ruined, 8,000 ha of rice submerged and 42 boats sunk, the report added.

Australia

Minister, Envoy Comment on USSR Situation

BK2008021091 Melbourne Radio Australia in English 0100 GMT 20 Aug 91

[Text] The Australian foreign minister, Gareth Evans, says people should not be too pessimistic about the coup. He said the degree of popular resistance against the ejection of Mikhail Gorbachev indicates the coup could be reversed.

[Begin recording] [Evans] They might not like Gorbachev very much, but they manifestly do not like the concept of a return to the hardline positions of the old days. We are not talking about any obvious parallels with China post-Tiananmen because we have a country which has been experiencing glasnost for over five years and a very different, much more sophisticated, much more highly educated general populace than was the case in China. [end recording]

Meanwhile, Australia's ambassador to the Soviet Union, Kevin Howe, has said it is not clear how much public support and official support there is for the new executive council. He said the president of the Russian Federation, Boris Yeltsin, along with leaders of Kazakhstan and the Ukraine, have expressed their anger at the situation.

Mr. Howe said that the next few days could see a lot of that unhappiness translated into action.

Evans: USSR Coup Not 'Irreversible'

BK2008003891 Hong Kong AFP in English 0028 GMT 20 Aug 91

[Text] Sydney, Aug 20 (AFP)—Australian Foreign Minister Gareth Evans on Tuesday rejected comparisons of President Gorbachev's overthrow with the crushing of pro-democracy forces in China in 1989.

"Don't let's make too many extremely pessimistic judgments at this stage," Evans said on ABC [Australian Broadcasting Corporation] Radio.

Commenting on reports that Russian President Boris Yeltsin had urged troops to disobey orders from the hardliners who overthrew Gorbachev on Monday, Evans said:

"We should not rush to judgment that these developments in the last 24 hours are irreversible."

There was, he went on, a "degree of obvious popular resistance" and the coup might prove "unsustainable."

The Soviet people "might not like Gorbachev very much but they manifestly don't like the concept of a return to the hardline positions of the old days," Evans said.

He rejected comparisons with the massacre by Chinese troops of pro-democracy activists in Beijing's Tiananmen square in June 1989, saying that the Soviet Union had "a much more sophisticated and highly educated general populace than China."

In addition, "the Soviet Union has been experiencing glasnost now for over five years," Evans said, using the Russian word for the relative freedom of speech introduced by Gorbachev.

In Australia's first official reaction to the coup on Monday, Prime Minister Bob Hawke said it would be "a tragedy for the whole world" if Gorbachev's foreign policy achievements were reversed.

Hawke cited the end of the cold war and of communist rule in Eastern Europe and the strengthening of the United Nations.

Evans said that it was "inconceivable" that Soviet .roops would return to Eastern Europe.

$399 Million Credit Line to USSR Frozen

BK2008041291 Hong Kong AFP in English 0355 GMT 20 Aug 91

[Text] Canberra, Aug 20 (AFP)—The Australian Government has suspended a 500 million Australian dollar (388 million U.S.) line of credit to the Soviet Union following the ouster of Mikhail Gorbachev, officials said Tuesday.

A spokesman for Foreign Minister Gareth Evans said that while most of the funds have already been taken up by the Soviet Union the outstanding amount was "under review."

It's on hold," he said, without specifying how much money was involved.

Answering questions in parliament later, Prime Minister Bob Hawke said he was "heartened by overnight reports of resistance to the coup" in Moscow.

Australia hopes the Soviet People "will reject this attempt to overthrow the constitutional government," he added.

Officials said the 500 million dollar line of credit had two components: 100 million dollars to allow the Soviet Union to buy a million tonnes of wheat and barley, and 400 million for wool and meat.

Cereal sales were complete and the first payment was due mid-way through next year, the officials said.

Under the second component—a 240-day rollover credit facility—sales worth 321 million dollars had been lined up, but only 124 million worth of wool and meat had actually been shipped to the Soviet Union, they said.

First repayments were due at the end of the year.

Suspension of government credit meant the Soviet Union must come up with hard cash to buy Australian agricultural produce, the officials said.

Australia provides no direct aid to the Soviet Union.

Cooperative Arrangement With USSR Will Freeze

LD2008092991 Melbourne Radio Australia in English 0900 GMT 20 Aug 91

[Text] Australia is to freeze all cooperative arrangements it has made with the Soviet Union. This includes the suspension of what's left of a $500 million line of credit to the Soviet Union. The suspension means the Soviet Union will have to pay hard cash for Australian agricultural produce.

The Prime Minister, Mr. Hawke, told Parliament he was heartened by the beginning of popular resistance to the Soviet coup.